

# *The* NATIONAL UNDERWRITER

*Life Insurance Edition*



## *They showed us a secret of happiness*

They came as strangers to a wild land, and none of them knew which day would be the last.

Never in the old country had they known such a winter: the wind so cold, the food so scarce, the enemy night so filled with dread.

Never had they worked so hard, paying with aching backs for every shelter raised against the cutting wind.

Everywhere they went, Famine and Death watched them with pale expectant eyes. And by the end of that bitter year, there was hardly one among them who had not lost to the cold earth someone he could not live without.

Then these men and women who had nothing sat down to a hearty feast, filled with gratitude for what they had.

We who follow them sometimes wonder why. Did they know some secret of happiness, denied to us, that made them so glad for so little?

And then we think back—back to some personal wilderness we have all been through in our time. Perhaps there was once a day when simply to feel the sun again, to smell another morning's freshness, to hear a child laugh again was miracle enough—a time when just to find oneself alive was a gift beyond belief. They had their lives; no man has more.

They had freedom, too. They were where they wanted to be. They could go where they chose to go. All the days ahead were theirs to use as they pleased. They owned themselves; no man owns more.

Remembering this, we join their feast, brothers to all the wise men whom trouble has taught to look at what they have, and not at what they lack.

*John Hancock*

MUTUAL LIFE INSURANCE COMPANY  
BOSTON, MASSACHUSETTS

FRIDAY, NOVEMBER 23, 1951



*"It's so much better this way—feeling that we are free to come and go..."*

# The Independent Visitors

IT MADE a pleasant sight . . . the quiet, elderly couple with their packages piled beside them on the waiting-room seat. They kept looking at the schedule of outgoing trains on the blackboard across from where they sat.

"We still have twenty minutes," the man said. "Train's a little late." The woman nodded. "Busy week-end for everyone, I guess."

They sat in silence for a few moments and then the woman said, "Wonder who he looks like—Fred or Emily?" The man smiled and said, "No telling till we get there." He looked at the station clock and said, "Wish the train would hurry up. I'm sure anxious to meet our latest grandchild!"

"And so am I! In a way, I wish Fred and Emily didn't live quite so far away, because then we could see them more often. And yet, if they lived any closer, I'm afraid I'd be pestering the life out of them."

"The man nodded. "It's better this way. Even though Fred is our son, I've always felt that a man deserves a chance to work out his own life without too much family interference." He chuckled and said, "You and I, of all people, should know about that—remembering how many family obligations we had to put up with in our own early years."

His wife smiled a wistful little smile. "Yes, it

seemed for a while that there were so many people who needed looking after that we scarcely had time to look after ourselves. First there was your dad, then mine, and then . . ."

"Yes, there was always something." He recalled how involved in family problems they were the year Fred was born. It was then that Dave Thomas had come to the house to talk with them again about their life insurance program. Dave had pointed out that besides protection for the family, their life insurance could be a big help in making them financially independent in their later years. So he took out the additional New York Life policy Dave had suggested—and he had had reason to be thankful many, many times since . . .

He placed his hand on the pile of packages next to him and said to his wife, "Yes, it's so much better this way—to visit Fred and his family feeling that we are free to come and go, knowing we will never be a burden to anyone."

The man at the gate had opened it and was announcing the arrival of their train. He couldn't help smiling as they passed him, because they looked so happy and so content with life.

**NEW YORK LIFE INSURANCE COMPANY**

51 Madison Avenue, New York 10, N. Y.

*Naturally, names used in this story are fictitious.*

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## Panel Discusses Timely Matters at LIAMA Final Session

Registrations on Last  
Day Raise Total  
to a New Record

By ROBERT B. MITCHELL

Registration figures at the L.I.A.M.A. annual meeting in Chicago got up over the 600 mark the final day, setting a new attendance record.

There was keen interest in the market outlook panel at the final session. With Lewis W. S. Chapman acting as moderator, six experts discussed such timely matters as the effect of the proposed revisions of New York's expense limitation statute, the entry of companies into the A. & H. business, the effect of increased term insurance writings on agents' incomes, the rise of brokerage business, the place of group insurance, and the reported neglect of some segments of the market, notably the "blue-collar" category.

Mr. Chapman, who is L.I.A.M.A.'s director of company relations and can ad-lib with the best of them, introduced the participants in his panel with a little informal background material on each one.

### Woodson Discusses Term

B. N. Woodson, managing director of National Assn. of Life Underwriters, discussing term insurance, said it seems very difficult to uncover facts, but it is a fact that all ordinary new business went up 115% from 1940 to 1950, but term insurance sales have gone up even more sharply. He said a Society of Actuaries study showed an increase in the proportion of term sold from 16% of the total ordinary sales in 1946 to 24% in 1948.

Institute of Life Insurance figures, he said, show that term insurance was 6% of total insurance in force in 1942 and 10% in 1949. Mr. Woodson said comparison of leading producers' business in the "All-Star" issue of the Insurance Salesman showed that the average leader of 160 companies had an average volume in 1950 90% above his 1940 counterpart, but his premiums rose only 54%.

Mr. Woodson said term insurance should be considered like rent, whereas permanent insurance is like a deed. Renting may be the only practicable solution in some situations but the distinction between renting and owning should be kept clear, whether it is a house or life insurance that is involved.

Mr. Woodson deplored the effect of term insurance sales on agents' incomes, for the result is that the agent who is working as hard and making as great a social contribution as he did 10 years ago is making less money in proportion to living costs. He said an agent remarked recently the other day that "this is the only business I know of where a man can be at the very top of the honor roll and the very bottom of the payroll."

Travis T. Wallace, president of Great American Reserve, discussed trends in A. & H. marketing, in which there is particular interest because of the great number of companies entering this field.

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## Program for N.A.I.C. at N. Y. Meeting Announced

The daily detail of committee meetings and subjects to be discussed at the mid-winter meeting of National Assn. of Insurance Commissioners at the Commodore hotel, New York City, Dec. 2-5, is released by association headquarters at Chicago. Those of interest to life insurance are:

### Sunday, Dec. 2

10:30 a.m.—Examinations practice and procedure manual revision sub-committee of examinations committee, executive session. Chairman: Russell O. Hooker, Connecticut.

1 p.m.—Life insurance solicitation on military bases jurisdiction over which had been ceded to federal government, sub-committee of unauthorized insurance committee. Chairman: Day, Illinois.

2 p.m.—Blanks committee. Chairman: Robinson, Ohio; vice-chairman, Lange, Wisconsin.

Blue Cross—Blue Shield sub-committee of A. & H. committee. Chairman: Crichton, West Virginia; vice-chairman, Leslie, Pennsylvania.

3:30 p.m.—Executive committee. Chairman: Murphy, South Carolina; vice-chairman, Allyn, Connecticut. Reinsurance sub-committee report, blanks committee report, assistant secretary's report, invitations for future meetings, executive session.

### Monday, Dec. 3

9 a.m.—Unauthorized insurance committee. Chairman: Southall, Kentucky; vice-chairman, Stone, Nebraska. Life insurance solicitation on military bases jurisdiction over which had been ceded to the federal government, sub-committee report; unauthorized insurers process act; unauthorized insurers false advertising process act, mail and radio insurance writing.

Uniform deposit laws and regulations and security or insolvency funds sub-committee of laws and legislation committee. Chairman: Kavanaugh, Colorado; vice-chairman, B. Taylor, Oregon.

11 a.m.—Plenary session.

Noon, Passe Club luncheon.

1:30 p.m.—War clauses sub-committee of the life committee. Chairman: Southall, Kentucky; vice-chairman, Fischer, Iowa.

Examinations committee. Chairman: Bowles, Virginia.

1. That the examination manual be amended to provide a separate section dealing with rates, rating bureau affiliations and statistics pertaining to experience and rates. Referred by zone 4.

2. That the examination manual include a specific recommendation that examiners who have been designated to represent zones in an examination refrain and be prohibited from contacting the company to be examined prior to the commencement of the examination. Referred by zone 4.

3. That in the verification and count of the securities of an insurance company on deposit with a bank licensed by the United States or any state thereof, the insurance commission may accept the certificate of the authorized officer of such bank, verifying the deposit of cash and security on deposit to the credit of said company, if the bank is regularly examined by the licensing authority and if the commissioner is satisfied that the representation thus made is in accordance with the fact. Referred by zone 4.

4. Examinations practice and procedure manual revision sub-committee report.

3 p.m.—Liaison committee. Chairman: Larson, Florida; vice-chairman, Bohlinger, New York.

4:30 p.m.—Valuation of securities committee. Chairman: Bohlinger, New York; vice-chairman, Stone, Nebraska. Valuation of securities sub-committee report.

### Tuesday, Dec. 4

10 a.m.—Interstate cooperation committee. Chairman: Stone, Nebraska; vice-chairman, Martin, Louisiana. Survey by New York department and policy approvals—preliminary report; advisability of supervision and regulation of commercial pension funds by insurance departments.

11 a.m.—Life committee—Chairman: Leggett, Missouri; vice-chairman, Allyn, Connecticut.

1. Study of possible effects of atomic warfare on mortality experience—Industry to report on study.

2. War clauses: Legislative pattern to be drafted.

3. War clause sub-committee report.

4. What levels of contingency reserves are appropriate for various types of group coverages, and in what manner

should these reserves be set aside?

3:30 p.m.—A. & H. committee. Chairman: Knowlton, New Hampshire; vice-chairman, Maloney, California.

1. Blue Cross—Blue Shield sub-committee report.

2. Policy benefits in relation to premiums sub-committee report.

3. Minimum requirements, benefits and fair trade practices sub-committee report.

4. Ratio of indemnity for disability to earned income.

5. Clause in A. & H. and Blue Cross contracts excluding coverage when hospitalized in government hospitals.

4:30 p.m.—Executive committee meeting—Subject to call by chairman.

### Wednesday, Dec. 5

9 a.m.—Laws and legislation committee. Chairman: Butler, Texas; vice-chairman, Cheek, North Carolina.

1. Uniform qualification and licensing laws sub-committee report.

2. Uniform deposit laws and regulations and security or insolvency funds sub-committee report.

1 p.m.—Time for zone meetings if desired.

2 p.m.—Plenary session.

## Commonwealth Capital

In correction of an erroneous report of the action carried previously, THE NATIONAL UNDERWRITER is noting the following fact:

Commonwealth Life has created \$500,000 of additional capital by payment to stockholders of a stock dividend of 33 1/3%. The stock has been placed on a dividend basis of \$1 per share annually. The action had previously been authorized at a meeting of the stockholders of company.

## LIAMA President



Harry S. McConachie (right), the new president of L.I.A.M.A., is shown here with William P. Worthington (left), executive vice-president of Home Life of New York, and M. K. Kenny, vice-president of Excelsior Life.

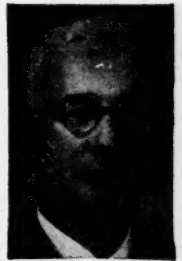
Mr. McConachie is vice-president of American Mutual Life of Des Moines. He was educated at Westminster college and worked his way through law school at St. Louis university by selling life insurance for Central States Life. He continued in life insurance after graduating from law school in 1925, going with Central States on a full-time basis until he joined American Reserve of Omaha in 1933 as superintendent of agents.

In 1938 he went to the home office of American Mutual as assistant superintendent of agencies. In 1941 he was made vice-president and a director. He was chairman of the small companies committee of L.I.A.M.A. in 1949 and with his committee conducted one of the most successful small companies' conferences ever held. He was elected a director of L.I.A.M.A. in 1949 and served on the finance committee.

## Sees Few Radical Changes Resulting from 213 Revision

But Will Cause Extensive  
Compensation Appraisal.  
R. C. Guest Tells L.I.A.M.A.

Discussing possible amendments to the New York expense limitation statute, Richard C.



R. C. Guest

Guest, vice-president of Massachusetts Mutual, said that in view of the stand taken by the New York department that cost to policy holders should not be materially increased and in view of the net cost competition among life companies, "we may expect that any sound progressive changes which may be forthcoming will be examined especially as to the best public interest."

A member of the market outlook panel at the annual meeting of L.I.A.M.A. at Chicago, Mr. Guest said that it is to be expected that most companies will re-examine their bases of compensation to agents. Probably some companies will make no changes and few companies will make radical changes. Some may pay more first year dollars, as a few are now doing within the present law. Some may shift the emphasis on vesting. Some may shift the emphasis on commission income to facilitate the induction of new men. Many companies will no doubt scrutinize the relationship of income during active sales operations to the income received by agents during the comparative inactivity of advancing age.

### Discusses Retirement Plans

Mr. Guest discussed various types of retirement plans. He said that "probably we may expect a more marked trend toward more liberal pension plans, with a greater vesting interest in the light of recent changes in federal tax laws which extend the benefits of section 165 of the internal revenue act to full-time life insurance salesmen who are considered employees under the social security act amendment of 1950. Under this amendment the pension will now be taxed if it meets all the requirements of section 165 as if it were an annuity, the consideration for which is the amount contributed by the employee."

Mr. Guest said that although a decade ago only about a fourth of the companies represented in the L.I.A.M.A. provided pension plans to agents, the proportion is now almost three-quarters and all the companies operating in New York, with possibly one exception, makes some provision for retirement. The majority of plans are contributory on a 3%, 4% or 5% matching basis. In almost half of the contributory plans there is no vested contractual right in the companies' contributions although as a practical matter, contracts are liberally interpreted upon termination by disability. Among those vesting company contributions, there is no uniformity and the tendency is for the vesting of agents' pensions to be

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## SECOND ANNUAL L.I.A.M.A. TRAINERS CONFERENCE IS HELD AT CHICAGO

### Ordinary Companies Find Training Efforts Pay Off

#### Wide Range in Control Found in Management Instruction Programs

The wide range in degree of control that ordinary companies exercise in their management training programs was effectively brought out at the panel conducted by Horace R. Smith, superintendent of agencies of Connecticut Mutual, at the second annual training conference conducted by L. I. A. M. A. following its annual meeting at Edgewater Beach hotel, Chicago.



H. R. Smith

Exemplifying the close-control technique was Home Life of New York, represented by John F. Walsh, vice-president and manager of agencies. At the opposite extreme was Fidelity Mutual Life, whose spokesman was Lawrence J. Doolin, manager of agencies. However, it was made clear that in both companies the management training program reflects definite and considered company policy and the fact that one is a managerial company and the other a general agency company.

#### Mutual About Mid-way

Typical of the in-between degree of control is Mutual Life, represented by Ward Phelps, assistant superintendent of agencies. Other participants in the panel were Henry Keller, Jr., director of agency training and education of State Farm Life of Illinois; G. P. Rollo, superintendent of field training of Great-West Life; Eber M. Spence, vice-president and director of agencies of American United Life of Indianapolis, and Rufus White, vice-president in charge of agencies of Pilot Life of North Carolina.

Mr. Smith opened the panel by a quotation which he attributed to H. G. Kenagy, formerly of L.I.A.M.A. and now vice-president of Mutual Benefit Life, that "training is bringing about continuous improvement in the quality of the man's work."

Continuing with the quotation, Mr. Smith pointed out that training was defined not as "teaching" nor as "telling," nor as "showing," in fact "training is not defined in any way with respect to the process of training," because "no training has taken place unless the quality of the trainees work improves." Mr. Smith said his own definition was that "training is the long avenue of guidance which leads from apprenticeship to career capacity."

#### Concept Widely Applicable

"It seems to me, therefore, that this concept of training applies equally well to the job of training the neophyte agent from his introduction into the agency until he qualifies as a life member of the Million Dollar Round Table, and to the experienced agent who helps on a voluntary basis the newest apprentice in the office through easy steps as a part-time supervisor, assistant manager, agency organizer or general agent," he said. "Training is needed all along the way: Here we are, home office executives, trying to get a little training ourselves in building training programs."

The panel discussion covered aims and responsibility for originating and carrying through a program of training the trainer; methods of training to be followed; the problem of continuous

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#### Need for Having Top Management Sold on Agent Training Stressed

The need for having top management sold on agent training was emphasized at the session on agent training for ordinary companies at the L.I.A.M.A. trainers conference at Chicago.

"I think all of us have made the occupational error of training from the bottom up, when we should start from the top down," said Charles E. Fritsche, General American's director of agency training. "You can't expect anything when you start with the agent."

How this can operate was indicated in a statement by H. Curtis Reed, Travelers' superintendent of sales research and promotion, that orders from Travelers' top management are that every new man must make at least one sales talk with each sales talk he is supposed to learn.

The need for "training from the top down" was reiterated by the panel's moderator, Edmund L. G. Zalinski, assistant vice-president of New York Life.

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E. L. Zalinski

### Combination Companies Beam Their Training at Assistant Managers

It was evident from the training conference for combination companies held at the close of the annual L.I.A.M.A. meeting that the assistant agency manager, whatever he may be called, is regarded increasingly as the pivotal man in the company training programs. The direct responsibility for training agents falls upon him. It is within the ranks of assistants training as district managers that many home offices feel they have their greatest direct training responsibility.

This was a session in which each one of the panel participants had a great deal to say. Howard A. Austin, Prudential, was in charge of one of the two sessions and Karl H. Kreder, Metropolitan, was chairman of the second session. In addition to these representatives of the giants there were on the panel Charles T. Clayton, Liberty National; Edwin P. Gunn, John Hancock; David F. S. Johnson, Interstate L. & A.; Homer D. Parker, Commonwealth, and Lauren Schram, Western & Southern.

It was evident from testimony given that what a few years ago a comparative rarity is now the common S.O.P. in that the larger companies and many of the smaller ones draw their future managers from staffs of training supervisors attached to the home office. A great many of the companies as a general rule pick their new district managers from the ranks of these men who are intermediate between being assistant managers and district managers. Mr. Kreder of the Metropolitan testified that in his organization there are only 15% of men appointed directly from assistant

managers. The great majority of the companies apparently do not appoint an assistant manager to a managers' post until he has had from eight months to three years of seasoning as a training supervisor or field supervisor assigned to an area but attached to the home office staff. Generally the company follows the practice of screening very closely its assistant managers. The promising ones among them, who are accounted managerial material, are at certain intervals given the opportunity to join the home office staff as traveling field supervisors. They are made aware that this is a test for them, a preliminary to becoming a manager. Generally they are not paid any more as traveling field supervisors than the average assistant manager or staff supervisor earns with their companies, so the incentive is not immediately financial. However, with many companies, a district manager will make at least twice as much as his assistants and the difference in earnings of say \$5,000 and \$10,000 is usually enough to make assistant managers eager to take these field supervisory assignments even though they do so at times at considerable inconvenience to themselves because of the travel and sometimes because of the home dislocation necessary.

#### Between Men and Angels

It became apparent as the ball was tossed around that most companies pay these field supervisors a salary and full expenses and several of them "bump" the man's salary up once or twice during the course of his tenure between man and the angels.

The period varies, but three years is usually the outside limit in which a man remains one of these traveling field supervisors. By this time, he has either been assigned an agency as a district manager or he has "returned to his former assignment as assistant manager."

Apparently some of the companies following this system will put one of these field supervisors into any managers' spot that happens to be open unless some of their present good managers would prefer having this spot because it is more lucrative. Other companies follow the strict policy of promoting a field supervisor into a managers' post only in the lowest paying agency which they have. They then proceed to "bump" two or three managers in other agencies upward into better paying agencies to make way for the newcomer at the bottom of the scale. There were comments that such a policy results in too much dislocation of managers, but the answer to this was that most any man will dislocate himself to make a couple of thousand extra dollars a year. Most of the men present at this session are ex-debit men and managers and there were several voices raised in protest against policies of too much shifting of personnel. However, the companies with roving field trainers preparing for management seemed universally to have an understanding with these young hopefuls that they will go wherever there is an opening, although some of those present indicate that they are pretty human about acceding to the general geographical desires of the field supervisors and their families.

#### From Least to Best

At least one of the companies follows the policy of sticking a good field supervisor into the best of agencies where he shows real promise.

There was too considerable a variation in the degree and methods of training of these "young lions" as Mr. Kreder characterized them, to report it in any complete fashion, but the thorough of the companies seem to be

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## The COMMONWEALTH Commentary

### Sure...Assure...Insure...

A man wants to be SURE of the soundness of an investment because he feels the obligation to ASSURE his family's future comfort. And he feels the obligation to INSURE his estate against the contingency of his life span.

You and your product are the only means by which all three of these fundamental considerations can be satisfied. The fact that you alone can assure a man that he can be sure of his financial future by insuring his estate is a service beyond measure.

The people of America need your product. Through your service, your knowledge, and your ability to make them see how important life insurance really is to them, you can do much to secure their future.

INSURANCE IN FORCE, NOV. 1, 1951—\$528,579,339



## COMMONWEALTH Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.



## Veterans Groups Seek Expanded Insurance Rights

### Assured of Support for Bills to Re-Open N.S.L.I., U.S.G.L.I. for New Business

The provisions of the Servicemen's Indemnity Act of 1951 whereby all new issues of National Service Life Insurance and U. S. Government Life Insurance were terminated are in for severe attack when Congress adjourns in January.

The new commander of the American Legion, Donald R. Wilson, has announced that part of the Legion's legislative platform for 1952 will be an effort to convince Congress that insurance of the World War II type should be made available to veterans of the Korean War. He also wants restored the rights of veterans of both world wars to obtain government insurance. Meanwhile, several Congressmen have been getting steamed up at letters from constituents who find they are unable to renew their National Service Life Insurance after they have allowed their term policies to expire.

#### Hard Luck Cases

Hard luck cases of this type have cropped up that make the current legislation seem unfair. For instance, Republican Representative Albert P. Morano of Connecticut wrote to VA Administrator Carl R. Gray of a constituent who had been notified that his level premium term policy was about to expire and who had applied for the authorized new five-year policy at the increased rate. He mailed in his application with the first check at the higher rate. But he neglected to include the last premium payment under the old rate under the mistaken impression that the check he sent would keep the policy in force automatically. The check was received at the end of the grace period, too late for the VA to notify him of his error in time to correct it. His old policy expired, he became ineligible for new insurance and his application for renewal was turned down. Mr. Morano wrote Mr. Gray that this particular case was typical of "hundreds of thousands" of veterans. VA officials say that this is an exaggeration but they acknowledge that a great number of cases like this have occurred.

Two bills, introduced at the last session of Congress are now on the agenda of the House veterans' affairs committee to permit issuance of new policies to policyholders whose N.S.L.I. term contracts have expired. These bills have been endorsed by the American Legion and will undoubtedly be supported by all veterans groups. One is H.R. 4861 sponsored by Mrs. Edith Nourse Rogers, Massachusetts, the ranking Republican on the Veterans' Affairs Committee, and H.R. 4412, introduced by Representative Thomas E. Martin, Republican of Iowa.

## Johnston Exit May Slow WSB Action

WASHINGTON, D. C.—It is believed that the resignation of Economic Stabilizer Eric Johnston, effective Nov. 30, may result in further delay in action on wage and salary stabilization problems such as pensions, insurance benefits, and commission earnings. The expectation of life insurance representatives that these matters might be cleared



Agency department executives from Commonwealth Life at the L.I.A.M.A. annual meeting at Chicago included, from left, seated, R. W. Hinton, E. A. Trask, Jr., and John F. Davis; standing, W. R. Davis, III, Paul W. Myers, and H. D. Parker.

up by Jan. 1 is believed to have been based on the assumption that Johnston would stay put a while longer.

President Truman is reported as having trouble finding a successor to Johnston. A rumor that John D. Small, chairman of the munitions board, would

be transferred to the economic stabilization post was discounted by Joseph Short, presidential press secretary, who stated, "The president needs Mr. Small where he is." Part of Small's organization is the office of Insurance Director Thomas L. Kane.

## Knowledge of Client

Sadler Hayes, of the Penn Mutual's Carr R. Purser Agency, New York City:—

"In our information-getting interview we are enthusiastic, because we feel that we are doing a great job for our client. We tell him how we take his Social Security, his GI insurance, his company pension plan, his company group insurance plan, and his personal insurance, and coordinate them in one organized plan which will do the best possible job for his family in the event of his death, disability, or advanced age. We tell him that our job is to squeeze each one of the dollars he is putting into life insurance and get the greatest value therefrom. We describe our method of using the automatic program system, and how this is coordinated with Social Security and the other assets.

"We obtain all information about him because we believe in thoroughness. We believe that there are two kinds of knowledge in this business — one is knowledge of our client and his affairs — the other is knowledge of our product. The first is the more important of the two."

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

## Royal's Casualty Companies Writing Medical Disaster

### Policy Issued with No Coinsurance Feature or Hospital Requirement

NEW YORK—The casualty companies of the Royal-Liverpool group have begun to market a \$5,000 disaster medical expense policy with no coinsurance feature and no hospitalization requirement.

The policy is being sold in all states except California, Maryland, Illinois and Minnesota, where policy form approval has not yet been received. Royal's policies will be sold on an individual or family basis.

The policy pays up to \$5,000 to each person insured, for medical expenses above the deductible resulting from any one accident or sickness. Expenses must be incurred within two years from the date of the accident or the beginning of the sickness. The deductible is either \$200 or \$500 and applies to each person. It must be the same for every insured member of the family. It applies to each accident or sickness.

Expenses covered include fees of physicians and surgeons, charges of graduate nurses, hospital charges for room and board and operating room, medical expenses in or out of hospital, transfusions, drugs, medicines, x-rays, anesthetics, therapeutics, diathermy, appliances, artificial limbs, etc.

The \$500 deductible is designed particularly for those in the higher income brackets. For those earning more than \$12,000 annually, the company prefers not to offer less than the \$500 deductible.

#### Age Limits for Men, Women

The policy will be issued to men and women aged 19-54, and can be renewed through age 59. Under the family policy, unmarried children, ages three months through 18 years, may be included. When an insured child is married or reaches age 19, coverage on him ceases at next policy expiration date but separate insurance can be arranged.

The policy covers anywhere in the world. It includes air travel except while operating, learning to operate, or serving as a member of the crew of any aircraft.

After the policy has been in force for three years it is incontestable as to any physical condition which may have existed before the policy was issued.

No coverage is provided for any loss for which the individual or any of his dependents are eligible for benefits under any workmen's compensation or occupational disease act or law. The policy does not cover childbirth, pregnancy or miscarriage.

The annual premium rates for males are: Ages 19 through 54, \$32 for \$200 deductible, and \$20 for \$500 deductible; 45-54, \$48 and \$36; 55-59, \$70.40 and \$58.40.

Females age 19-44 will pay \$36 for the \$200 deductible and \$22.50 for the larger one; 45-54, \$54 and \$40.50; 55-59, \$79.20 and \$65.70.

The charge for each unmarried child from three months through 18 years is \$20 for the \$200 deductible and \$12.50 for the \$500 deductible. Children pay the adult rates if they are married. The family rate is the sum of the individual charge. The family policy may be sold for a 3-month term. Otherwise rates are annual only. The quarterly premium is one-fourth the annual, plus 75 cents.

Commission is 25% to general agents and 20% to agents and brokers.

## Deductible, Coinsurance, Integration Vital in Medical Catastrophe Cover

Use of a deductible, inclusion of the coinsurance factor and integration with existing coverages are regarded by E. B. Whittaker, vice-president of Prudential, as vital to the success of medical catastrophe coverage. He put them in that classification in his talk on that subject at the insurance conference of American Management Assn. at Chicago. The deductible is necessary, Mr. Whittaker said, to avoid the expenses incident to paying small claims. Further, unless insured has some financial stake in keeping the cost down, as under coinsurance, he will probably abuse the plan by using more service than is necessary and patronizing high-priced specialists, which he would not do if the money came out of his own pocket.

To illustrate all three of the major points, Mr. Whittaker gave an illustration, with the figures shown on large charts, of a case involving 14 days hospitalization for a ruptured appendix. The hospital bill would probably run around \$300, surgeon \$500 and nurse \$500, for an aggregate of \$1,300. A \$300 deductible will bring this down to \$1,000 and a 20% coinsurance reduction from that point would make the insurer's maximum liability \$800. As an example of integration, he said Prudential's standard policy would pay \$10 per day for the hospitalization, or \$140; \$100 for nurse and \$150 for hospital, a total of \$390. If this were applied as the deductible, there would be \$910 left and the coinsurance deduction would then be \$182.

### Favors Family Budget Plan

Mr. Whittaker held that the deductible should be based on the family budget rather than on an individual illness. If an entire family, father and mother and two children, for example, is involved in an automobile smashup, the policies issued until recently would require a deductible for each person, which Mr. Whittaker said would defeat the purpose of the insurance. Prudential has now brought out a plan under which, when the family deductible of \$300 or \$500 is satisfied, subsequent illnesses for the ensuing benefit year on the same or any other members of the family are subject to only a \$25 deductible. That is imposed merely to cut out nuisance claims.

Mr. Whittaker considers that there is no justification whatever for writing that business on a flat rate and that consideration needs to be given to income bracket, age distribution, family status and geographical location. Inasmuch as Prudential regarded this coverage as one primarily for people earning \$5,000 and up, it made a survey of its employees in that wage bracket nationwide, which showed twice as high medical expense in the \$10,000-\$15,000 income group as for \$5,000-\$7,500, a great increase at the higher ages, much more for the employee's wife than for the husband or children, and more on the Pacific Coast than in any other area.

### Opposes "Trick" Clauses

He feels that the policy should be as free as possible from exclusions, although there are some things such as cosmetic surgery that obviously should not be covered. He opposed "trick" clauses such as those referring to organs or diseases not common to both sexes. He said he couldn't see why cancer of the lungs should be covered and cancer of the prostate not.

On the sales side, he said insurance people can get in without any difficulty to present this form of coverage, and can get to the people that can buy. The insurance company needs to supervise the enrollment. He said there will be difficulties encountered in some cases until the WSB policy is decided upon definitely.

On the angle of integration, he said he hadn't yet figured out a way to integrate this coverage with that provided by Blue Cross. There are cases

where buyers want it to take hold where Blue Cross stops and something of that sort really needs to be worked out. One of the difficulties is the fact that Blue Cross rates and benefits are subject to such frequent changes.

### Describes Executives Plan

The practical working out of a medical catastrophe plan, on the basis of rather limited experience, was described by E. S. Willis, manager employee benefit plans division of General Electric Co., one of the first companies to experiment with such a plan. He took up both the plan for headquarters executives, adopted in 1949, and a new plan covering all classes of employees, just installed this year at its Schenectady and Bridgeport plants.

In regard to the plan for executives, he said it was feared at the outset that it might be difficult to get the required 75% participation, but that after some rather intensive cultivation it started off with about 80%; soon rose to 87% and is now around 90% of those eligible. The original plan provided for a \$300 deductible and payment of 75% of medical costs above that amount up to \$1,500 for one year and a grand total of \$3,000. That has since been raised to \$5,000. The second year, dependents were included and this year the maximum age for dependents was increased to 25, as several members have children who are still in school and therefore dependent, although above the usual maximum age. This year, for the first time, pensioners who were members of the executives' organization sponsoring the plan at the time of its origin were permitted to join it or continue their coverage.

It provided for the payment of "reasonable expenses" and Mr. Willis said most of the claims submitted are entirely reasonable, although with the salary level of the group running from \$7,800 on up, many of them are pretty high. One surgical bill running into four figures was approved, as it involved one of the very few operations of that type ever performed.

As to the policy on termination of claims, he said it had been decided in a case of coronary thrombosis with a recurrence of disability after insured

had been back at work for some time that both should be covered with only one deductible. One disability has continued since May, 1950, although without hospitalization. Mr. Willis said that might be just as much of a catastrophe for the man affected as one involving extensive hospitalization and surgery.

He gave a good many figures on the experience but said their value was somewhat limited because of the brief experience and the changes made since the start of the plan. In a general way it has been found that it pays about half of the total claims. Since dependents have been included they have accounted for more than twice as much expense as members, with wives showing about 53% of the total and children 9%. That was in line with the figures Mr. Whittaker had given as indicated by the survey of Prudential employees. Experience on pensioners so far has been satisfactory but it is felt that it may be worse with greater duration.

### Two Plans Operated

The two new plans were initiated and are operated by the mutual benefit associations of the plants involved. They include employees at all levels, both male and female, but with no provision so far for dependents. They are integrated with the basic plan for employees of General Electric. The second year claim cost, so far as it has developed at the Schenectady plant, is somewhat higher, but still apparently below the premium charged.

Heart and circulatory diseases lead and accidents, which might be expected to take high rank in such a setup, stand fourth.

In response to a question as to whether he thought catastrophe coverage should be made available to any employee, Mr. Willis said he thought it was highly desirable and that high praise was due the employees of these plants for their initiative which makes it possible to work out feasible plans of operation there.

The annual Christmas Party of the New York City Life Supervisors Assn. will be held on Dec. 18 at the Drug & Chemical Club. The association, as is customary, will not have a regular second-Tuesday luncheon meeting next month. Their next meeting is scheduled for Jan. 8.



Massachusetts Mutual Life was represented at the L.I.A.M.A. meeting by seven of the home office executive staff. From the left, seated, Wrayburn M. Benton, 2nd vice-president; Charles Schaaff, vice-president, and Richard C. Guest, vice-president; standing, Kenneth W. Perry, director of agencies; James H. Denman, agency secretary; Robert J. Ardison, director of field service; and D. N. Ellis, superintendent of agencies.

## Must File Data on Reserve Earnings

The temporary nature of the new percentage tax method of taxing life insurance companies contained in the 1951 revenue act makes it necessary for all life companies to continue to include data on reserve earnings in their 1951 returns. This questions has been a matter of concern to the companies since the flat percentage method was only adopted on a trial basis, and because reserve interest earnings will still have no bearing on the tax except to those companies which fail to earn more than 105% of their interest requirement. The bill contains a relief clause for those companies providing a graduated downward scale depending on the amount short.

The law was enacted as a stop-gap measure for one year only and the 1942 industry-wide formula still is technically the law governing taxation of the life insurance industry. Even though it is highly improbable that Congress will not enact either a permanent formula or extend the 6 3/4% tax on net investment income during the coming session, life companies must be prepared to include data as required by the stop-gap measure.

If Congress should not act next year, the 1942 law automatically would become effective again and the bureau of internal revenue would have to determine a so-called "secretary's ratio." The 1952 ratio thus would be figured from 1951 returns.

## Sees Greater Use of Trust Companies

The effect of inflation on the purchasing power of life insurance proceeds is leading estate planners to greater use of trust companies in settlement agreements, Denis B. Maduro, New York City attorney, told the New York City C.L.U. Chapter at its November luncheon. Inflation stresses the importance of flexibility in beneficiary payment arrangements because it is impossible to predict the cost of giving children a college education or providing a living income for a man's family very far into the future. Consequently, Mr. Maduro foresees a return to popularity of insurance trusts after an eclipse for them has lasted since the early '30s.

He said that he is in general inclined to recommend the use of larger trust companies rather than a small bank with a trust department because of the advantages the former have in investing their trust funds.

In reviewing current trends in estate planning, he reiterated his basic belief that no one can do an absolutely complete job of estate planning. The task may require the cooperation of an accountant, trust officer, attorney and insurance man. Each should strive to do the best possible job in his own field.

Although the marital deduction as a tax situation is now several years old he said that it still has not been recognized by many men in their wills. Nor, he said, has their estate planning been carried through to the death of the second spouse.

Roswell W. Corwin, general agent of New England Mutual, presided.

## Subcommittee on Valuation to Meet at New York Nov. 27

The National Assn. of Insurance Commissioners subcommittee on valuation of securities headed by Allyn of Connecticut has scheduled a meeting at New York on November 27. The big subjects on the agenda are the new life company security valuation proposal and oil and gas production loans.

J. Wesley McAfee, president of United Electric Co. and its affiliates, has been elected a director of General American Life.

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## Chicago C.L.U.s Hear Advantages of Business Insurance

A turnabout in the usual sales presentation prevailed at the first joint meeting of Chicago Assn. of Commerce and Industry, and the Chicago C. L. U. chapter. An overflow gathering of agents, some fortunate enough to be on hand with prospects, heard the advantages of business insurance discussed by Guy E. Reed, president of C. A. C. I. and Cushman Bissell, president of Chicago Bar Assn.

Speaking on the advantages of key-man and business insurance in closely held corporations, Mr. Bissell pointed out that these programs seem to offer one of the most adequate means of sustaining a corporation in event of death or retirement of its key-men or managers. He added that through business insurance, the corporation is provided with necessary funds to obtain its business objectives, while not depleting liquid assets required for routine operations.

In a review of the court decision in the Emeloid case it was referred to as one of the first unequivocal statements in which the premiums a company spends on key-man insurance, when used to purchase the stock of a decedent shareholder, may be considered to have been expended for good business reasons so far as federal taxes are concerned.

### Another Tax Advantage

Another tax advantage of key-man insurance occurs when it is used to implement a retirement pension or deferred compensation to be paid to an executive upon retirement, said Mr. Bissell. If the executive dies before retirement, the corporation could use the insurance benefits to implement any stock purchase agreement, if the executive was a shareholder. The corporation could also pay the benefits under an agreed plan to the executive's dependents. Assuming the executive retires, the company could then pay the pension or deferred compensation as a deductible business expense. The executive would pay no income tax on such amounts until he received them.

Mr. Bissell also stated that when a company's own stock is redeemed or cancelled, the amounts received by the shareholder may be regarded as being equivalent to the distribution of a taxable dividend instead of being taxed as a capital gain or loss. Since they may be treated as dividends, they would be taxed at ordinary income rates. Accordingly, the only sure escape of having the redemption treated other than as a dividend, he said, is to have all of an estate's stock in a corporation cancelled or redeemed. This might produce a considerable loss to the estate in a corporation which had high earning power in the future, and deprive the family of participation in such future earnings.

### Points to Revenue Act

Under the revenue act of 1951, he emphasized, an estate which has more than 35% of its net estate invested in such a closed corporation may sell part of the stock to the corporation in an amount not exceeding the estate and inheritance taxes, including interest, which are imposed by the decedent's death, without subjecting the estate to taxation of the proceeds as ordinary dividends. "It is advantageous and a legitimate business purpose for the corporation to take out key-man insurance on such executive shareholder's life in order to provide funds to purchase such stock without being obligated to impair its working capital reserves for that purpose," declared Mr. Bissell.

In concluding, he cautioned, that in order to take advantage of key-man insurance and business insurance arrangements, and at the same time obtain maximum tax advantages, each situation

must be thoroughly canvassed and studied before it is implemented.

Mr. Reed, executive vice-president of the Harris Trust & Savings Bank, presented the banker's viewpoint on the use and serviceability of business insurance. He said the fact that a young business man has the foresight and self-discipline to build a life insurance estate makes a favorable impression on the bank.

Pointing to the use of insurance as collateral, he stated that while insurance men and bankers do not encourage borrowing on policies, this is nevertheless

an area in which insurance renders one of its greatest services.

Case histories that illustrated the serviceability of insurance in business were then cited by Mr. Reed. He told of the small business man with unusual prospects but limited capital, who insured his life for \$100,000 and assigned the policy to the bank. The insured, Mr. Reed said, is still living and carrying the insurance. His company has prospered, and he now borrows seasonally on an unsecured basis.

He also showed how insurance avoided the problem of selling the stock

of a closely held company owned by three brothers and a sister. The company took out \$700,000 of insurance, \$200,000 on each brother, and \$100,000 on the sister. Within two years, the brothers died. With their insurance benefits, the company purchased the stock in their estate. The case of a seasonable business that required heavy loans in relation to working capital was also cited. Because the business was highly competitive, a sizable insurance policy was required by the bank for additional protection. Recently the owner died. The proceeds from the policy enabled

## ... Connecticut Mutual's new single premium deferred annuity

The Connecticut Mutual has now added this important and valuable contract to its wide array of annuity contracts. The Single Premium Deferred Annuity is designed for the prospect who wants to pay a single premium *now* for an income starting some time in the future. It is a contract with emphasis on income.

- LIBERAL OPTIONS
- FLEXIBILITY
- \$150,000 LIMIT
- PARTICIPATING
- DEATH BENEFIT

### FEATURES OF THE SINGLE PREMIUM DEFERRED ANNUITY

**LIBERAL OPTIONS** — Three income options available:  
Life annuity with instalment refund.  
Life annuity with ten years certain.  
Life annuity without instalments certain.

**FLEXIBILITY** — The annuitant has a broad range of deferred periods and maturity ages from which to choose. It is also possible for the annuitant to elect a somewhat smaller income to start prior to maturity under any one of the retirement options. In order to provide a maximum income, there are no cash or loan values.

**HIGH LIMIT** — Connecticut Mutual will accept up to \$150,000 as a single premium.

**PARTICIPATING** — The new contract participates in annual dividends up to the time income payments become due. Dividends may be taken annually in cash, or accumulated and used to provide additional life income.

**DEATH BENEFIT** — In case of death before maturity, premium plus accumulated dividends are returned.

### OTHER ANNUITIES AVAILABLE

**Single Premium Immediate Annuity:**  
(1) Life annuity with instalment refund.  
(2) Life annuity with ten years certain.  
(3) Life annuity without instalments certain.

**Single Premium Joint and Survivorship Annuity:**  
Without instalments certain.

**Annual Premium Annuity:**  
Retirement benefits with ten years certain (*automatic*).  
Wide range of elective income options.  
Participating.  
Cash Values.



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the company to pay its loans without liquidation of inventory, and the heirs can readily liquidate the business if they desire.

Arthur C. Neilson, president of Neilson & Co., gave the viewpoint of the business man buyer. Mr. Neilson declared that in buying insurance he does not appraise the risk with an eye to collecting benefits, but buys only if the loss will hurt his company seriously. "This way," he said, "I avoid a statistical duel with the insurance experts."

Following the talks, Robert I. Mehr, insurance professor at the University of Illinois, led a question and answer session.

### Name New Guardian Agcy.

Guardian Life has appointed John P. Hancock & Co. as general agents at Niagara Falls.

The Hancock company is the largest all-lines agency in the city. Its principals include John P. Hancock, president; Anthony P. Soluri, vice-president; Joseph F. Soluri, secretary, all experienced in life and general insurance, and Charles B. Wright, assistant treasurer. Mr. Wright, manager of the life de-

partment, entered life insurance in 1945, and has had field and managerial experience. He is a past president of the Life Underwriters Assn. of Niagara Falls.

### Form Indiana Home Office Underwriters Association

Indiana Home Office Underwriters Assn. has been organized by home office underwriters for life and A. & H. companies in that state. A preliminary meeting was held in September and at another meeting Nov. 14 at Indianapolis, with 12 companies represented, a constitution was adopted and these officers elected: President, Donald Goblen, American Income; vice-president, Harry Hunt, Retail Credit Co.; secretary-treasurer, Edward Jakad, Hoosier Casualty. The next meeting will be held Dec. 12.

Russell D. Ekblad, Minnesota branch manager of Sun Life of Canada, has been transferred to Houston, Tex., to open an office there. He will be replaced by John H. Command, former manager at New Orleans.

## October Was Year's Best Ordinary Month

Sales of ordinary in October totaled \$1,557,000,000 making it the best month of the year and up 11% over the same month last year, according to L.I.A.M.A. Total sales for the month at \$2,283,000,000 were down 12%, reflecting the throttling of group sales by the wage stabilization regulations. Group sales of \$245 million were down 64%. Industrial sales of \$481 million were down 4%.

Figures for the first 10 months compared with the same period last year showed ordinary at \$14,505,000,000 up 3%, group \$3,476,000,000 down 25%, industrial \$4,525,000,000 down 1%, for a total of \$22,506,000,000, down 3%.

### Guardian Purchases Site, Plans to Erect Building

Purchase of a building site in White Plains, N. Y., has been announced by Guardian Life. The company's plans, subject to approval of a pending application for re-zoning and approval by the national production authority, call for erection of a two story fireproof office building with about 20,000 square feet on each floor.

While the proposed building will be designed to make it suitable for occupancy by Guardian in whole or in part, no decision concerning its use has yet been reached. If it is decided not to use the proposed building for its own operations, space will be leased to tenants whose business is conducive to maintaining the property as a quality real estate investment.

"For some time," President James A. McClain stated, "We have been considering moving the company's home office. The property just purchased, however, cannot be considered as our future home office site. We are continuing our inquiries in an effort to secure property which at some time in the future will prove suitable for development as such a site."

### A. & H. Prospecting Outlined by North at Philadelphia

Through an intelligent concept of the service that can be rendered to the public through sales of sickness and accident insurance, prospecting will be reduced to a minimum, said John E. North, Prudential director of sickness and accident sales. In his address, "The True Approach to A. & H. Sales," he outlined the pre-requisites to A. & H. prospecting to 50 members of the Philadelphia Assn. of A. & H. Underwriters. Human wants and basic desires are the beginning of all economic activity,

he claimed. The agent should feel no hesitancy in appealing to man's greatest desire, the desire of economic self-preservation accomplished through the medium of A. & H. insurance.

"The only possible way to motivate the prospect to act is by keeping the 'want' satisfaction of your service before him constantly. Get him to buy what he wants," Mr. North declared, "and he will find some kind of justification for the action he has decided upon."

Mr. North emphasized that the agent's skill will be improved only if he keeps his attitude on a high, enthusiastic plane, and if he can maintain faith and confidence in himself.

### New York May Supervise All Union Welfare Funds

Union welfare funds may be placed under state regulation in New York as a result of a proposal at the recent meeting of the joint legislative committee on labor and industry where such a suggestion received the support of both political parties.

The insurance department, represented by Deputy A. G. Straub, advised the committee that his department was studying the law to determine if it presently had the power to supervise these funds. Republican and Democratic committeemen said they would be glad to recommend legislation authorizing either the insurance department or another agency to supervise them if the department currently could not.

The department supervises some welfare funds but not others. The welfare fund of the Amalgamated Clothing Workers is set up as an insurance company and is under state regulation but the International Ladies Garment Workers union is set up in a separate trust agreement and is not under state regulation.

Unions falling under the federal labor-management law are required to file reports under section 302 of the Taft-Hartley Act with respect to funds for pension payments. Similar reports must be filed with the state workmen's compensation board where a union welfare fund undertakes to discharge employer liability under the state disability benefits law.

### Bankers L. & C. Is Hit by New Action in Georgia

An injunction and penalty proceeding in Fulton superior court has been brought by Commissioner Cravey of Georgia against Bankers Life & Casualty of Chicago. He alleges Bankers has been illegally operating in Georgia since its license expired June 30. This is another episode in an involved controversy between the company and the commissioner. The suit was filed by Attorney General Cook, who claims that despite the fact that Bankers' license expired, it has continued to write new policies from Atlanta, Columbus, Macon, Savannah and Augusta. There is cited a 1935 law imposing a penalty of \$1,000 for the first offense, \$2,000 for each additional offense on casualty companies writing without a license. Suit asks for a determination of alleged offenses committed and the court is asked to enjoin the company from its "unlawful continuance in business."

A suit by Bankers Life & Casualty to require the commissioner to issue a new license is pending in the supreme court on a writ of error.

### Aetna Life Leaders to Meet

A two-day meeting of ranking members of Aetna Life Leaders Club, an organization of the top 200 representatives of the company, will be held Jan. 31-Feb. 1 at the home office.

### Sun Wins Mail Award

Sun Life of Canada was the winner of the Direct Mail Advertising Assn.'s best of industry award in the life and health insurance classification.



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You're right, mister . . . and that's one of the reasons why Indianapolis Life agents become successful career underwriters. They are associated with an agency minded home office which has equipped them with contracts possessing powerful buyer appeal—for example . . . the Progressive Estate policy which is the most popular of our juvenile contracts . . . the special Business Men's policy which combines low initial cost with low net cost . . . and the unique Family Protection rider.

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## Program Given for Teachers Gathering at Boston Dec. 28

The program has been tentatively outlined for the annual meeting of American Assn. of University Teachers of Insurance at Hotel Bradford, Boston, Dec. 28-29. The meetings sponsored exclusively by this association are all scheduled for Dec. 28. There is a joint meeting with American Statistical Assn. scheduled for the next day and there may be additional joint meetings that may be attended by the members if convenient.

Davis W. Gregg of American College of Life Underwriters will be chairman of the opening session the morning of Dec. 28 on "Introducing and Developing Insurance in a Curriculum." Hampton H. Irwin of Wayne university, Detroit, will give a paper on this subject and William T. Beadless of Illinois Wesleyan and Herbert C. Graebner of Butler will conduct the discussion.

There will be a luncheon meeting and in the afternoon Harry J. Loman of University of Pennsylvania will serve as chairman at a session on "Recent Developments in Insurance." There will be a paper by H. Clay Johnson of Royal-Liverpool on "The Impact of Multiple Line Powers on the Insurance Industry," and John H. Miller of Monarch Life on "The Impact of New Disability Coverages on the Life Insurance Companies." There will be a business meeting late in the afternoon and then there will be a dinner with a speaker yet to be announced.

Next morning at the joint session with the statistical group, H. L. Seal, English actuary and statistician, will give a paper on "Probability Theory of Decrements from a Population."

## Straight Life Totals Largest Insurance Block

Although more policies have been made available for specific needs, straight life contracts account for \$118 billion of a total \$234 billion in life protection, according to Institute of Life Insurance.

Of the straight life figure, \$60 billion is in policies of lifetime protection, and \$58 billion is in limited payment plans. However, the institute points out, the limited payment policy is most widely held, with 81 million policies compared to 37 million of straight life.

Group plans totaling \$50 billion represent the third largest block of insurance. Endowment policies total \$28 billion, while retirement income policies account for \$9 billion in protection. Family income and other policies combining some form of permanent protection represent \$17 billion of insurance.

Regular term policies total \$7 billion in protection, or about 3% of total life outstanding.

## Bash Appointed Actuary

Farmers & Bankers Life of Wichita has named Floyd A. Bash, Jr., as chief actuary. Mr. Bash is graduate of Drake University and took post graduate work in actuarial science at Iowa State. He served with a life insurance company and then joined the Iowa department as an examiner and later chief actuary, a post which he held up until this time. He is a navy veteran of the recent war.

## Wakefield Moves to St. Louis

Charles A. Wakefield has been appointed western manager of Reliance

Life at St. Louis. Since 1948 he has been Reliance assistant manager at Cincinnati. Prior to that he had been an agent for the company in Dayton, O., for three years. He is a graduate of the Purdue course and a navy veteran of the last war.

## Real Estate Holdings

Real estate held by life companies topped \$1½ billion at the end of the third quarter, more than double the figure of five years ago. Industrial and commercial rental properties made up nearly half the total with \$114 million acquired since the first of this year.

## Life Company Financing Provides N. J. Turnpike

Opening to traffic of the New Jersey turnpike, the first sections of which are going into use this month, is cited by Institute of Life Insurance as an outstanding example of how insurance funds benefit the community.

The turnpike, constructed at a cost of approximately \$250 million and stretching 118 miles from the Delaware river bridge to the George Washington bridge, has been largely financed by life companies. The initial \$220 million financing of this project was privately

arranged with 33 life companies. The life company bonds mature Jan. 1, 1985, and carry an interest rate of 3¼% which is payable from turnpike revenue. Starting in 1960 the bonds may be redeemed on a basis calling for the amortization of the entire \$220 million by maturity.

## Ross Duncan New Deputy

Ross P. Duncan of Reno has been named deputy insurance commissioner of Nevada. He is a former federal investigator and former deputy U. S. marshal, and he is also experienced in the insurance adjustment field.



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## INDIANAPOLIS MID-YEAR RALLY

## Rise of Part-Timers, Revision of Group Laws Big Topics of Indiana Assn.

Heated discussion of the pros and cons of rewriting Indiana's group laws and a report that the Indiana department has called a meeting of representatives of various segments of the business in concern over a flood of part-time agent applications were the highlights of the mid-year meeting of Indiana Assn. of Life Underwriters held at Indianapolis.

Discussion of the group problem was initiated by a panel presentation of both sides of the question of amending or rewriting the present law. Speakers were Charles Crumbaker, independent group consultant; Howard Bull, Aetna group supervisor; and Ray Hauck, Indianapolis manager of Metropolitan.

Mr. Crumbaker declared that the prohibition in the Indiana law against group on associations while permitting group for unions means that employers with too few employees to form a group of their own cannot offer non-union members the same insurance protection union members get. This forces a violation of the Taft-Hartley act, which, he said, requires that both groups be given equal privileges.

The ban on association group also

means that out-of-state associations may eventually bring their group plans into Indiana. The coverage will be controlled from without, and commissions will go out of the state, too.

Mr. Crumbaker announced himself as against association group where no employer-employee relationship exists, as in group for professional associations, and expressed the opinion that the present Indiana maximum of \$20,000 on one life is too high. Mr. Bull prefaced his remarks with the warning that he spoke as an individual and not as a representative of his office or company. He warned that if Indiana does not give attention to the demands of unions and other such association groups for group coverage, "we may find ourselves left behind the train."

## Cites Group Casualty Need

Mr. Bull agreed with Mr. Crumbaker that association group should be authorized only where employer-employee relationships exist and not for professional associations. If the code is revised, he declared, a number of aspects should be clarified and strengthened. He cited especially the need for

provision for group casualty. The present law touches on group casualty only by inference.

Mr. Hauck declared that group must be kept on an employer-employee basis or "eventually we as individual agents are out of business." Group is needed at subsistence levels but is getting out of hand, he said, warning, "if we begin to wink our eye a little, we are going to find ourselves wondering what became of our market."

In the floor discussion which followed Oren Pritchard, manager of Union Central at Indianapolis, association legislative chairman, pointed to the Ohio as an example of what happens when the group definition seeks to permit only employer-employee relationship associations to buy group. In that state, he declared, the law permits association group if each member of the association has at least one employee. "So every doctor in the state points to his office girl as his employee and qualifies for 'employer-employee association' group."

J. F. Benne, staff manager of Prudential at Hammond, charged that while group has its place on a one to three-thousand policy basis, "anything as cheap as group can't be good for people in big lots." Group, he insisted, is not sound preparation for the future, yet is often used as a man's entire financial program.

## Warns of Substitution

H. J. Peirce, Massachusetts Mutual, Indianapolis, pointed out that an ultra-conservative stand on group is hard to defend to the public, which tends to look on it as "dog in the manger" tactics. A revision and some liberalization of the Indiana group code is needed for public relations if for no other reason, he charged, warning that the public may react to too strict definitions by "substituting group for legal reserve life insurance."

Horace Storer, general agent of Bankers Life of Iowa at Indianapolis, expressed the opinion that some of the problems Indiana agents face because of group are created by the present laws. He pointed out that the law no where provides for wholesale insurance, "and that's the place fly-by-night cases arise. We need to recognize the facts of life on how group has developed in the past decade and modernize our laws accordingly. We say we should stay away from association group, but the fact remains that we already have it. Accountants, retail grocers, and bankers in the state already have association plans—not true group, perhaps, but which have the effect on the individual agent of group. They are able to have such plans because our antiquated laws allow them to squirm in with bastard arrangements."

J. P. Kenealy, manager of Metropolitan at Hammond, spoke against group plans which permit coverage of dependents. When the CIO steelworkers plan allowing such coverage went into effect at Stuebenville, O., he reported, workers' families cashed out their permanent policies in wholesale lots, "despite the fact that the group plans leaves them running the risk of no coverage at all if the head of the family dies or leaves his job."

## Exemptions Exist

Mr. Crumbaker reported from the floor that the Indiana ban on association group in general has led to legislative raids by special-interests to get an exception made for their individual cases. Three such exceptions have already been passed, he stated, and five or six powerful trade associations are considering going before the next session of the legislature to get special laws for themselves.

Mr. Peirce charged that the idea of doing something specific about revising the code has been "put on the siding" by the association for several years and pleaded, "let's get something concrete out of the gas being let off here. He offered a motion that the special group study committee be charged with pre-

paring a model bill to be presented to the legislature.

This motion was amended by Mr. Storer to instruct the committee to bring recommendations for changes to the annual meeting of the association in May. The motion was passed as amended.

Mr. Pritchard stated that the Indiana department was interested in the attitude of the association toward the group problem and pointed out that Paul Pfister, chief deputy, was present for the discussion. He also brought before the meeting the fact that the department, alarmed by a flood of part-time applications in the past several weeks, had invited a number of people to a meeting Nov. 20 to discuss the advisability of issuing so many such licenses.

The department is currently delaying the issuance of some 20 part-time applications pending a study of the problem, according to Mr. Pritchard. He pointed out that the department is in a quandry because it cannot legally refuse to issue the licenses "and some of our most respected agencies in Indiana use part-timers."

The department can require an examination for license but is unwilling to impose it on part-time applicants unless it requires it uniformly of all applicants, he said.

Claude Jones, general agent of Connecticut Mutual at Indianapolis, raised the question of who would service small towns and rural areas too remote for full-time men if there were no part-timers. It was then proposed that the commissioner be urged to examine all applicants to weed out the "one-case" part-timers from those part-timers who are really serious about the business and intending to become full-time agents eventually. Majority opinion was that the part-timer cannot and should not be eliminated entirely and that the evils of the system will have to be borne to keep from stifling its advantages to the business and the public.

The association appointed a committee to draft by-law and constitution amendments to set up a General Agents & Managers Conference along the lines of the national body and accepted the application of the Greater Hammond area for a new local unit.

Luncheon was held jointly with the Indianapolis association. Speaker was Lowell Craig, general agent of Northwestern Mutual at Milwaukee, a former Hoosier.

## Commission Increase Awaits Federal Stabilizer's O.K.

Prudential has had to withhold temporarily, in the case of its full-time agents, the additional first-year commission which it put into effect Oct. 15. Brokers can get the new rate but Prudential full-time agents must wait for a ruling of the federal wage and salary stabilization boards before they can get the additional compensation.

The additional commissions is being set aside and will be paid as soon as the stabilization authorities announce their decision. This is expected in the next week or so. The additional commission will be paid retroactive to Oct. 15, just as if there had been no suspension of the increase.

The change is a 10% increase in first-year commission on ordinary business. For example, the commission on an ordinary life policy becomes 55% instead of 50%.

## Honor Three Insurance Leaders

Three New Jersey leaders will be honored at a dinner in Newark Nov. 29 by the New Jersey region of the National Conference of Christians and Jews. They are John R. Cooney, president of Loyalty group; Franklin D'Olier, retired president of Prudential; and Edgar S. Bamberger, who is secretary of Hospital Service Plan of New Jersey. Carroll M. Shanks, president of Prudential, is chairman of the dinner committee.

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## Punch-Cards Put Sales Forecasts, Quota Setting on a Scientific Basis

A scientific, yet easily applied basis for setting sales quotas for states, counties, and cities more realistically than has heretofore been possible has been developed by Market Statistics, Inc. The necessary data, which include millions of items of information on sales, income, population, and the like, are available on I.B.M. punched cards. These cards, numbering 8,400 for the entire United States, are fed into I.B.M. machines along with cards carrying the company's own data. The results are obtained with little expenditure of time or labor.

The resulting figures have two main uses for a life company, according to Dr. Jay M. Gould, head of Market Statistics. They enable a company to plan its operations with a much more informed idea of what percentage of its production will come from the various states, counties, and cities in which it operates.

### Indicates Par for the Course

Thus, the agency executives can know pretty closely what par for the course should be in any given locality. It may be that because of local or regional conditions a slight decrease in production for one territory could indicate a better performance record for the agency managers there than a moderate increase in territory where local conditions were better than average.

Armed with this sort of information, the management of a company can set its quotas with a minimum of guesswork.

The second important use of this collection of statistics is in convincing the field managers and agents that their quotas are not just the result of enthusiasm and wishful thinking but that they are scientifically based and are equitable as between different segments of the territory in which the company does business.

Dr. Gould makes a distinction between a market forecast, which is what will probably be sold during a given period in the future, and market potential, which is what could be sold, using realistic assumptions. The quota usually set lies somewhere between the two figures.

### Potentials for Insurance

Dr. Gould has studied life insurance production and in-force statistics. He finds that the market potential for life insurance depends on the number of families, their incomes, and the degree of urbanization of the territory under consideration. Variations from what these three factors indicate correlate closely with the amount of insurance in force in the territory. That is, the more insurance in force the smaller the market potential.

For example, if New York state has about 13% of the families in the U. S. it might be assumed offhand that the state would account for 13% of the national income. But because of average income per family being higher in the state the latter's share of the national income might be say, 15%. Because of the degree of urbanization in the state, this might be increased to 16%.

In forecasting probable sales of life insurance or any other product, the forecaster has to keep in mind the way its sales react to changes in income of the buyers. Sales of goods purchased through retail outlets, for example, vary almost exactly in proportion to disposable income after taxes. But different individual products react differently to changes in income.

For example, a 1% increase in disposable income, on the average, will result in only six-tenths of 1% increase in the sale of drugs but will produce a 2% increase in sales of washing machines. In general, according to Dr. Gould, the response of changes in sales to changes in income varies directly with the life of the product and its price

relative to prices of other products.

The big reason why Dr. Gould's punch cards can produce more realistic forecasts of sales is that they give in detail the information that is behind broad national averages.

"Broad aggregates like national income and retail sales give a deceptive appearance of homogeneity," says Dr. Gould. "But actually they are the totals for a great many components reflecting a wide variety of divergent movements. Therefore it would be ill advised to attempt to evaluate or forecast the movement of these aggregates as such. There is no substitute for the laborious job of dealing separately with all the significant components of sales. For instance, we find that for each component, there is a particular relationship to income movement which is always in operation even when it is obscured."

### Growing in Great Britain

The group and pension business is steadily growing in Great Britain. Figures just presented by Life Offices Assn.

show British pension and group premiums for 1949 of \$140 million, about one-fourth of the total life premiums in that year. These figures have been separated by the trade organization for the first time in history and more up-to-date figures are forthcoming. It is shown that more than seven million persons are covered by group life in the United Kingdom and that about one million are covered by pensions.

There has been a considerable increase in both group life and pensions because the employers have realized that the cost of living makes existing pensions inadequate and the national pension scheme is of very little value to the white collar classes. British employers continue to show a willingness to contribute considerable to insure that employees have adequate pensions and the employers are skeptical about futures left to political pension schemes.

Solomon Huber Associates, general agents for Mutual Benefit at New York City, have prepared an attractive four-page folder entitled "While You're Waiting." Written in an informal, friendly style that tells the agency story to callers, it is designed to keep busy clients and prospects happy while waiting.

## Convention Dates

Dec. 2-6, National Assn. of Insurance Commissioners, Hotel Commodore, New York City.

Dec. 11-12, Life Insurance Assn. of America, annual meeting, Waldorf-Astoria hotel, New York City.

Dec. 13, Institute of Life Insurance, annual meeting, Waldorf-Astoria hotel, New York City.

1952

March 17-19, Small companies spring conference of L.I.A.M.A., Edgewater Beach Hotel, Chicago.

May 12-14, large companies spring conference of L.I.A.M.A., the Greenbrier, White Sulphur Springs, W. Va.

May 26-28, H. & A. Underwriters Conference annual Cosmopolitan hotel, Denver.

Charles W. Grady, comptroller of Midland Mutual Life, has been elected president of Columbus Insurance Accounting and Statistical Assn. Kenneth G. Morris, Republic Indemnity, is vice-president; Carter H. Grinstead, Beacon Mutual, secretary, and S. S. Kerr, Shelby Mutual, treasurer.

E. H. Roberts has been named superintendent of agencies for United Bankers Life of Dallas. Mr. Roberts has been in the life insurance business since 1929 on the west coast and in Oklahoma.

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## EDITORIAL COMMENT

### Magnetize, Mobilize, Energize

How to get the greatest value out of your business paper is important. Skill in grasping and making use of what you read can be improved by practice when this practice follows correct and rewarding methods.

Nearly all of us read papers because we like to learn what is happening to people we know and to our business field. That is a first way to read a business paper because no one should omit enjoyment from business. But the reader who stops there has not begun to get his reading rewards.

Approach the business paper with these guides: Magnetize, mobilize, energize.

Anyone who wants to get the greatest value from his reading must magnetize his mind while he reads to catch what is of significance to him. A first item of significance may be some statement which the reader knows he should understand and yet which he does not understand. That is a good place to make a note to inquire for the information that will bring understanding. Here are several ways to magnetize the mind to catch what is significant. The agent may think of prospects upon whom he is to call within the next few days and about the coverages which are to be presented to those prospects. With this magnet it will be just about impossible to go through a full issue of a paper without finding something of value to be used in the coming interviews. Particularly stimulating is a plan of determining what is the most important interview ahead within the next week and then starting to let the mind gather together what will be useful in that interview. Those who study mental operations tell us that we remember far better that which we study for the purpose of use. What is then learned can be doubly riveted into operating equipment by immediate and if possible quickly repeated use.

The agent or executive who goes over the paper having in mind the decisions he must make within the next few days is almost sure to find some helpful references. Sometimes the paper provides a direct answer. More often it will suggest where to go or how to proceed in finding facts or background necessary for decision. Gold is seldom found on the ground but finding it is speeded up by knowing where to dig. The business paper can be unusually helpful in showing where to dig.

A most important source of sales and directing power for agents and execu-

tives is the ability to magnetize the mind to catch the significance of relationship in the insurance business. The day is past, for example, when anyone can crawl into a single line cubby-hole and conduct even his own department affairs successfully without knowing just how he and his work fits into all other activities of the business. So rapid are the changes today that only one who reads intelligently the news of the day can meet relationship requirements.

The chief reward for magnetizing the mind to catch what the reader wants is that the reader then draws to himself from what appears before him exactly that understanding which does make for relationship with what he already knows. Much of the most effective reading of a business paper can be done "between the lines." The reader puts together what he already knows with what he sees on the printed page and comes up with a third fact which is more significant than what he did know or what appears on the page.

Information is like an army. It must be mobilized to be effective. Many successful agents and executives began early in life to maintain their own reference files. When a discussion in the business paper appeared to have permanent value, the scissors came out and the item was filed away under the right heading for future use. Oftentimes a mere glance at a clipping put away five years ago brings back the details of the clipping when otherwise hours might have to be spent seeking the particular ideas or facts in it. Many a man owes a great part of his success to his habit of placing his sources and references in form for ready use. Mobilized information has lost its fragmentary and isolated character. It has been put into an array of like information which can have real striking power. If a man will practice with his business paper to mobilize his information, that practice in itself will begin to carry over into other fields of activity to the great reward of the practitioner.

It is futile to magnetize and mobilize unless one will also energize. In fact, one of the most fruitful ways to read the business paper is simply to examine the articles in it with a question, "What is this telling me to do?" Maybe one's being told to write a letter, another not to send the letter written yesterday, another to file away the information for future use, another to go out tomorrow to see someone, another to call a meeting in the office and pass on what was in

the article or the conclusions that were compelled by reading it. The reading of a business paper becomes exciting fun and pays a big bonus to anyone who will do it intelligently.

Anyone who will magnetize, mobilize

and energize when reading regularly this weekly newspaper of insurance will be getting top value out of the paper. He will provide himself with skills for mining untold wealth from all else he sees, hears and reads.

### Now Is the Time for All Good Men . . .

When the enrollment in a basic course at the Purdue institute of life insurance marketing gets down to half its normal figure, which is what has happened, it would seem that now is the time for all good men who are interested in life insurance education to come to the aid of this pioneer campus course that has made such a fine record in the last six years.

Of course, there are certain obvious factors that explain part of the drop in enrollment. Life insurance recruiting is off about 20% from this time last year. More importantly, no more agents can look to the G. I. bill to help with the expenses. The potency of this factor showed up in the tremendous increase in Purdue enrollments for the courses starting just before the G. I. subsidy deadline.

Doubtless a good many new agents who would have been taking the basic course this fall were hurried off to college earlier, in order to benefit from the G. I. bill, so to that extent there is some distortion in this fall's Purdue enrollment. But even allowing for that, there is no getting around the fact that the stimulus to campus-course enrollment represented by the G. I. bill has now departed for good.

It would be a pity if the Purdue course were to run into rough going because not enough people in the right places are aware of what it can do for new agents, how much it can save in the cost of training and how much it accelerates the process of getting the new man into production. The excellent aggregate production figures of its graduates are ample proof of the course's dollars-and-cents worth, to say nothing of its intangible value in promoting the cause of professional status for life insurance agents. Statistics now being compiled by L.I.A.M.A. will do even more to document the production records of Purdue graduates.

Pioneer life insurance educational efforts have never had an easy time. The Diamond Life Bulletins and even L.I.A.M.A. itself had enough early struggles to qualify easily as Horatio Alger heroes. There were times when the late John Marshall Holcombe, Jr., as manager of the Life Insurance Sales Research Bureau, L.I.A.M.A.'s predecessor, would go out and sell another

membership to enable the struggling young organization to meet its payroll or buy a needed typewriter.

If agency executives in those early days of the bureau could have foreseen even a little of the help it was to be to them, they would have been flocking in with membership applications instead of having to be persuaded to help back this new venture. More of this sort of foresight should help the Purdue course solve its enrollment problems and turn Director Hal Nutt's concern from where to get more students to how to take care of the waiting list.

As companies learn more about how to assign agency costs realistically, more and more agency executives are sure to realize that even the full treatment at Purdue, running to perhaps \$1,000 per man for the basic, intermediate and advanced courses, is a bargain when the entire cost of getting the same results any other way is appreciated.

The difficulty from Purdue's point of view is that it may be some time before enough agency executives have complete enough information on agency costs so that Purdue's enrollment will experience any great boost on this account. Perhaps a little faith is indicated here, for it would certainly be ironical if the Purdue course were to be starved out of existence just before irrefutable cost statistics convinced agency departments in large numbers of the economic wisdom of sending more new agents to college.

In spite of the traditional difficulty of pioneering educational ventures, there seems to be every reason to believe that there are enough forward-looking agency executives, general agents and managers to insure adequate enrollments for the Purdue course from here on.

Incidentally, the good points we have been mentioning about Purdue apply equally to the Southern Methodist University course run by A. R. Jaqua. However, the S.M.U. course has the backing of a closely knit group of Texas insurance men, including a financial guaranty in case of a deficit. Also, the S.M.U. course is currently experiencing only a 15 to 25% drop in enrollments, or about in line with the national drop in recruiting. It is time for reappraisal of the courses before it's too late.

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# OBSERVATIONS

## Economists Are Divided on How Much More Inflation to Expect

Though government economic advisers insist that even more severe inflation is ahead, some other economists now believe that because of current huge inventories and better prospects for steel and aluminum allocations for consumer goods after the middle of next year, consumer income will not rise so fast as to seriously exceed the supply of available goods during the critical re-arming period that is ahead.

The federal council of economic advisers, in its mid-year report, predicted an increase in personal incomes of between \$30 billion and \$20 billion between the middle of 1951 and the middle of 1952. Yet the actual increase in the first three months of that time was less than \$2 billion.

According to the council and the economic stabilization agency, the failure of personal incomes to rise as predicted is due to the fact that military spending is so much less than anticipated. It hasn't reached \$2 billion a month, though it is expected to be \$4 billion a month by the end of 1952. There has also been a consumers goods slump, which the federal economists say won't last.

Though the government economists say that this consumer goods slump is only temporary, non-government economists point to admissions by government allocation authorities that additional steel and aluminum production facilities will permit more consumer goods to be produced after mid-1952.

Another factor cited by those who are inclined to minimize the threat of further inflation is that chances for producing more income are less now than they were at the start of the last war because today there is very nearly full employment. Since wages and salaries make up the bulk of the personal income totals, any big increase in employment adds markedly to the aggregate personal income.

However, in spite of the full employment situation today, the government economic advisers say that quite a boost in personal incomes from defense spending is still ahead, even though only a

few more people are added to the total labor force, because many will be working longer hours and moving out of low-paying jobs into high-paying defense work.

## Less Fear of Atom Plants

The fears voiced by selection men in the early post war years that there would be great occupational hazards involved in underwriting employees of atomic energy plants have been greatly deflated. These plants have many scientifically devised safety precautions. In general, they seem to have had better safety records than many other types of industrial plants. There is still underwriting concern with the potential effect of exposure to dangerous rays but at least the aura of great mystery that once surrounded atomic energy plants has been reduced to proportions where risks can be measured and accepted.

## "Richard Roe" a Smash Hit

"I haven't enjoyed crying so much in years."

That was the comment of one of the deans of the life insurance business after seeing "The Education of Richard Roe" enacted at the recent L.I.A.M.A. annual meeting at Chicago. Other comments were equally enthusiastic, in fact, the play was one of the high points of the meeting. It not only put across a worthwhile life insurance lesson but its cast gave a finished performance. People who expected the usual amateur theatrical rendition were astounded.

The play was written by Laflin C. Jones, who was for 10 years assistant director of agencies of Northwestern Mutual Life and was recently promoted to director of insurance service research. The play was put on, courtesy of Northwestern Mutual, for its fourth showing. It was first given at a Northwestern Mutual national convention in Milwaukee and later at the company's big eastern regional convention in New York City. Last September it was enacted for the Million Dollar Round Table at Coronado, Cal.

The cast is mostly home office employees, the rest being from the Milwaukee Little Theater Group.

The performances have elicited such

enthusiasm that there have been numerous requests to have it made into a movie so that it could have wider distribution. In fact, President Charles E. Cleeton of National Assn. of Life Underwriters was offered 14 \$100 checks toward this end.

Among the actors is the winner of this year's "Miss Dairyland" contest, Marjean Czerwinski of the home office staff. The very authentic looking judge is Winfried Jacobi of the legal department.



John S. Thompson, left, president of Mutual Benefit Life, receives the Silver Anvil trophy, the 1951 achievement award of American Public Relations Assn. from Dr. Paul F. Douglass, president of American University and chairman of the committee on awards of the association. This presentation was made at a special luncheon during the annual convention of the public relations group at Philadelphia. The life insurance company received the reward for a program built around its book "Begin Now to Enjoy Tomorrow."

# DEATHS

**WILLIAM T. WARD**, 44, district superintendent of Home Security Life for nine years, died at his home in Elizabeth City, N. C.

**CHARLES B. WRIGHT**, 65, Lincoln Income Life, Oklahoma City, died at his home there. Mr. Wright had been with the company for more than 30 years, serving as an agent, manager and field superintendent. About a month ago at the company's annual meeting at Chicago he was elected to honorary membership in the President's Club, honor production group.

**EDWARD B. FIENBERG**, Yorkville manager of John Hancock, died at his home in New York City. He joined a Brooklyn district agency of John Hancock in 1918. He was also assistant manager in western New York and Hoboken, N. J., and district manager at Pittsburgh.

**WAYLAND C. KIDD**, 65, for 33 years superintendent at Alexandria, Va., of Home Beneficial until his retirement last September, died there.

**WILLIAM SELL**, Kansas City Life agent in Milwaukee, died there. He had been a member of the Madden Agency at Milwaukee since 1936 as a part time representative and as a full time agent since 1941.

**I. F. McCOLLUM**, local agent at Hamlet, N. C., died there.

**William M. Treharne** has been named assistant manager of Prudential Times Square agency which he joined last year. He will assist manager John S. McNulty in brokerage activities.

## PERSONAL SIDE OF THE BUSINESS

**Louis H. Pink**, chairman of Associated Hospital Service, has been named general chairman of this year's appeal in New York City to raise funds for National Foundation for Infantile Paralysis.

**Edmund Fitzgerald**, president of Northwestern Mutual Life, is one of the 100 residents of the old "Northwest territory" who will be honored for their "substantial contributions to society" at the centennial convocation of Northwestern University Dec. 2. The list also includes Louis Quarles, Milwaukee, trustee and member of the executive and finance committees of Northwestern Mutual, and Frank J. Sensenbrenner, Neenah, Wis., senior trustee and member of its executive committee.

**E. T. Proctor**, general agent of Northwestern Mutual, was one of a panel of speakers addressing the Institute of Taxation & Accounting at Nashville, Tenn., attended by 150 accountants, lawyers and life men. His subject was "Pensions and Profit-Sharing Plans."

**James R. Adams**, director of agencies for the Southeastern division of American National, addressed the Memphis Lions Club on "Leadership Leads to Profits."

**Howard C. Reeder**, executive vice-president of Continental Assurance, has

been visiting its California headquarters at Los Angeles.

**Arthur M. Collens**, chairman of Phoenix Mutual, has been reelected a director of Governmental Research Institute for a five-year term.

**J. Stanley Edwards**, retired general agent for Aetna Life at Denver and past president of N.A.L.U., presented a picture of the 1892 Denver University football team, on which he played, to Denver University coach, John Baker in recognition of the outstanding team Mr. Baker has fielded this year. Also at the presentation was Isadore Samuels, president of the Denver school board, and general agent for New England Mutual at Denver.

**President Paul F. Clark** of John Hancock has been elected a director of Seaboard Air Line Railroad Co. He is the only New Englander on the board.

**Robert P. Kelsey**, vice-president of John Hancock, has been elected a director of the New England Council.

**W. Merle Smith**, manager, Buffalo agency of Mutual Life, has just observed his 30th anniversary with the company. He started as an agent at Elmira, N. Y. He was promoted to his present position in 1930. Mr. Smith is president of New York State Assn. of Life Underwriters.

# Central Standard

LIFE INSURANCE COMPANY

211 W. Wacker Drive.

CHICAGO

All forms of  
LIFE—INCLUDING GROUP—A & H  
Expanding . . . Agency Opportunities

**ALFRED MACARTHUR**  
Chairman of the Board

**WILBUR M. JOHNSON**  
President

## TO THE AGENT WHO CARES

The ILLINOIS MUTUAL CASUALTY COMPANY, home office — Peoria, Illinois, has the tools with which you may commence and continue to build the best Accident — Sickness — Hospital — Medical — Surgical and Polio insurance business in your community.

Desirable agency openings in Illinois, Indiana, Michigan, Minnesota, Missouri, Ohio and Wisconsin.



# ILLINOIS MUTUAL CASUALTY COMPANY

Home Office

411 Liberty St. Peoria 2, Illinois

**E. A. McCord**  
President

**C. C. Inman**  
Executive Vice President

## LIFE AGENCY CHANGES

### Allcorn Joins Bankers of Ia. in New Atlanta Agency

Frank W. Allcorn has been appointed Atlanta manager for Bankers Life of Iowa. He opens the new Atlanta agency. Since 1949 he has been life department manager for Spratlin, Harrington & Co., Atlanta general insurance agents. Before that he was with State Mutual Life.

He is a C.L.U. and a member of the leaders round table of Georgia. He is a navy veteran.

### Pacific Mutual Names Five to Group Field Positions

Pacific Mutual has made five promotions in the group field force. New superintendent at the Los Angeles home office is Charles Currier, former regional group supervisor for the midwest territory at Kansas City.

Darwin S. Liggett, Chicago manager since March, has been appointed midwest regional supervisor. He will remain in Chicago. Armor R. Killingsworth, Chicago assistant manager, succeeds Mr. Liggett.

Dale Frederickson, Kansas City group manager for the past year and a half, has been named assistant group manager at Los Angeles. Lloyd Harmond, Seattle group representative, has been appointed Kansas City group manager.

Mr. Currier joined Pacific Mutual a

year ago as group field superintendent east of the Rockies. He had been with John Hancock for 10 years. Mr. Liggett entered the group field in 1939. He has been with Aetna Life, with Massachusetts Mutual, and was a vice-president of Ralph C. Wilson Agency, Inc., Detroit brokerage company. He is a graduate of University of Nebraska.

Mr. Killingsworth joined Pacific Mutual in 1949 as a Los Angeles group representative and last year opened the company's Indianapolis office. He is a graduate of University of Southern California.

Mr. Frederickson has been with the company since 1949. His first assignment was to the Los Angeles group office and last year he was appointed Kansas City manager. Mr. Harmond began with Pacific Mutual at Seattle in 1949, following graduation from the University of Washington.

### Clement, Trinkle Advanced

R. A. Clement, an assistant manager of the agency since June, 1950, has been made manager of the home office agency of Shenandoah Life. He succeeds G. Frank Clement, recently elected vice-president in charge of ordinary sales. E. Norred Trinkle, former assistant manager, has been named sales manager of the agency.

Mr. Clement entered life insurance in 1941 with Jefferson Standard, rejoining it after army service. He later became district manager at Bristol, Va. He is

a graduate of the T.C.U. course. He has been active in association work and as an L.U.T.C. instructor.

Mr. Trinkle has been with Shenandoah for 14 years and has been one of its top producers since entering field work in 1947, qualifying in 1949 as "Agent of the Year." He is a graduate of Washington & Lee and of the S.M.U. course, and is president of Roanoke Assn. of Life Underwriters and Virginia Leaders Club.

### Tucker to Lexington, Ky.

Gordon Tucker has been promoted to manager at Lexington, Ky., by Life & Casualty. He started as an agent at Nashville in 1938 and has been superintendent there since 1939, except for war service.

### McClelland General Agent

W. G. McClelland, representing Indianapolis Life in the Kokomo-Tipton, Ind., area, has been promoted to general agent. He has been with Indianapolis Life since 1927 and formerly was a district manager in that territory. He has been a member of the App-a-Week Club for 929 consecutive weeks.

### Nat'l Bankers Opens Utah

Paul V. McDonald has been appointed by National Bankers Life as agency supervisor at Salt Lake City. His appointment is a part of an expansion which will include the opening of district offices in Utah. Mr. McDonald for five years has been field manager with two other companies. National Bankers offices in Salt Lake City will be located in the Judge building.

### Am. Mut. Appoints Nygren

American Mutual Life has appointed Earl Nygren general agent at Kansas City. He previously represented Bankers Life of Iowa there.

He served in the marine corps.

### New N. Y. Agency Opened

Prudential's newly formed New York agency headed by Gerard B. Tracy has opened at 270 Park ave. Bernard J. Lytle has been named assistant manager. He was formerly with Mr. Tracy at the Jamaica agency. Mr. Lytle started with Prudential in 1947.

### Maxham Named Supervisor

Floyd L. Maxham has been promoted to western department field supervisor for Bankers Life of Iowa at San Francisco. He has been a member of the Cramer agency at Los Angeles since 1948. He entered insurance field after seven years of high school teaching and coaching. Mr. Maxham was an all-American football player at St. Mary's and is a navy veteran.

### Goodfellow Atlanta Mgr.

Charles E. Goodfellow has been appointed manager at Atlanta for Phoenix Mutual after having been supervisor there for four years. He has had management training at branch offices at Boston, Providence, St. Louis, Washington and Pittsburgh.

### Editor Addresses Buyers

Richard J. Thain of THE NATIONAL UNDERWRITER staff will address a dinner meeting of Midwest Insurance Buyers Assn. on Nov. 29 on the pending wage stabilization board ruling in regard to group insurance and pensions.

Kenneth M. Reed, director of purchases of Mutual Benefit Life, is chairman of the conference of the general office buyers group of National Assn. of Purchasing Agents at New York Feb. 11-12.

Frank G. Beyer, of the Reese agency of Penn Mutual at Philadelphia, will mark his 50th year with the company this month.

## COMPANIES

### Ben Jack Cage Heads New Life Insurer of Tex. AFL

DALLAS—Life Ins. Co. of Texas has been organized here by members of American Federation of Labor in Texas to be operated by Jack Cage & Co., management firm, along with its fire and casualty affiliate, Ins. Co. of Texas. Ben Jack Cage is president of both companies.

The life company, owned by union labor, took over assets of Home L. & A. of Dallas, which in turn has sold its name and its credit life business to a syndicate headed by Frank Cain, Dallas attorney prominent in automobile finance circles.

Both companies headed by Mr. Cage will double their capital by issuance of 20,000 new shares of \$10 par. Presently they operate in Texas and Louisiana, but plan to enter many other states in 1952, with nationwide operations as the ultimate goal.

Other officers of the life company are: Executive vice-president and secretary-treasurer, John G. Vaughan; vice-president in charge of public relations and advertising, Nile F. Ball, counsel for Texas Federation of Labor; vice-president in charge of Gulf Coast division at Houston, Albert Boggess, Jr., formerly with the Texas department; vice-president and sales director, H. Glidden Wilson, Jr.; vice-president in charge of underwriting, William V. Barker; vice-president of claims, Stanley Prichard; vice-president of group department, Louis F. George; director of sales and training, Arthur J. Noble, formerly with Allstate, and assistant secretary-treasurer, Marshall Bivens.

### Old Line's 9-Month Record

New paid-for business of Old Line Life for the first nine months totaled

## GENERAL AMERICAN LIFE'S Sell-O-Vision Theater

An action-packed drama that drives home the benefits of complete coverage.

FEATURING  
**READY MONEY**  
*Check Book*  
FOR SALES  
PRESENTATIONS WITH A PUNCH



COVERS DISABILITY

The sales plan that develops larger premium... greater commission. Another reason why General American Lifemen are in business always.



COVERS UNEMPLOYMENT



COVERS DEATH



COVERS OLD AGE

GENERAL AMERICAN LIFE INSURANCE COMPANY

The Perfect Hotel for Successful Sales Meetings!



Check these points —

- ✓ Centrally located just 45 minutes from the heart of Chicago in suburban Highland Park.
- ✓ Stately Georgian buildings surrounded by 21 beautiful wooded acres overlooking Lake Michigan. No commercial distractions, no city turmoil. Keep your men together in a quiet "country home" work-inspiring atmosphere.
- ✓ Private beach and every recreational facility on the grounds or close by.
- ✓ No extra charge for use of ballroom and conference rooms of varying sizes.

Convention or sales groups given first preference year 'round. Write for full information.

Moraine-on-the-Lake HOTEL  
HIGHLAND PARK, ILLINOIS

\$10,695.50 to \$144,000 Assets a \$1,533,447 investment of a portion in the company's total \$

### Up Tex

Director a special Dec. 11 dividend, which from \$40.00 ago the company's dividend.

### Reward

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\$10,695,548, bringing insurance in force to \$144,040,074, a net gain of \$5,413,590. Assets are now \$43,333,940, a gain of \$1,533,447. The interest yield on investments this year showed one-third of a point improvement over those made in the comparable period last year. Payments to policyowners and beneficiaries totaled \$1,982,740.

### Up Texas Life Capital 25%

Directors of Texas Life have called a special meeting of stockholders for Dec. 11 to approve a 25% stock dividend, which would increase the capital from \$400,000 to \$500,000. Eight years ago the company declared a 100% stock dividend.

### Reward Sound Suggestions

Checks have been awarded to 15 members of Pacific Mutual's home office staff for constructive suggestions. The rewards cover ideas accepted by the company's suggestion plan committee the past three months. Individual checks ran as high as \$35 and one employee had two suggestions accepted. Women winners outnumbered the men 13 to 2.

For 1952 John Hancock will continue the same dividend scale used in 1951 in ordinary and retirement annuity contracts. The rate of interest will likewise be the same. Dividends in effect during 1951 for industrial policies will be continued in 1952 with slight upward adjustment for certain years of issue. Present formulas for group policy contracts will also continue.

Manufacturers Life is the latest to join the growing list of companies using premium receipt on request.

Sterling of Chicago has been licensed in Minnesota, bringing to 24 the number of states in which it operates.

## COMPANY MEN

### Equitable Names Friedman as Medical Representative

Equitable Society has appointed Dr. Julius R. Friedman as medical representative at San Francisco. He will have medical supervision over the counties reporting to the San Francisco, Sacramento, and Oakland agencies, as well as those in Idaho, Montana, Oregon, Washington and Wyoming. Dr. Friedman received his M.D. at Long Island University and later served on the staffs of hospitals in Bayonne, N. J., and Yonkers, N. Y. After army service he was an examining physician on the staff of the Veterans Administration in Salt Lake City and San Francisco.

### Good Elected Secretary

John P. Good has been elected secretary of Teachers Insurance & Annuity. He succeeds George E. Johnson, who continues as vice-president. Mr. Good has been with T.I.A.A. since 1949 and has served as assistant counsel since 1950. Previously he was with the law firm of Root, Ballantine, Harlan, Bushby & Palmer.

Four new administrative assistants have also been appointed. They are Helene Bernhardt, Margaret S. Cobban, Elsie M. Sautner, and Margaret P. Sherwin.

Elected trustees were Ralph Himstead, general secretary of American Assn. of University Professors; John I. Kirkpatrick, comptroller of University of Chicago, and Milton T. MacDonald, vice-president of Trust Co. of New Jersey.

### Tours Foreign Agencies

The Caribbean area was visited by Richard Rhodebeck, president of United States Life, in his recent four-week agency inspection and investment survey trip. He visited Puerto Rico, Cuba,

Venezuela, Curacao, Panama and Guatemala, in a trip that covered 10,000 miles.

Mr. Rhodebeck inspected the company's agencies, stimulated their sales efforts and investigated investment opportunities with particular attention to the expansion of the company's mortgage investment program.

Commenting on his trip in advance of his formal report to United States Life Mr. Rhodebeck said, "There is a great opportunity in these countries for properly integrated insurance programming to become as important a part of life as it is here in the United States."

Arthur B. Van Buskirk, vice-president and governor of T. Mellon & Sons, Pittsburgh, has been elected a director of Equitable Society.

### Manufacturers' Dividends Up

Manufacturers Life has announced a new annual dividend scale for the United States and Hawaii effective Jan. 1, 1952. The new scale shows increases from a minimum of 50c per thousand in the early years to approximately \$3 as the policies approach maturity. These changes will mean an increase of approximately 25% over the total of payments that would have been made on the 1951 scale.

### Mutual Benefit Scale Same

Mutual Benefit's 1952 dividend scales on both CSO and American Experience policies will be the same as in 1951. The rate of interest, 3%, applicable to settlement options, and the dividend accumulation rates, 3% for American Experience policies and 2.85% for CSO contracts, will be continued in 1952.

### Murrells Have Record Month

Murrell Bros., California general agents for Mutual Benefit Life, submitted \$3,857,289 worth of business in October against a quota of \$2,400,000. It was the largest volume of business submitted by any of the company's agencies, and was the largest monthly volume submitted since the Murrells went to California in 1937.

### Hay Agency Leads Mutual

The Hay agency of Mutual Life at San Francisco led all company agencies in October volume. The Brown agency at Grand Rapids placed first in policies sold, while the Myer agency at New York City was second in both categories. The Persons agency at Chicago was third in volume, and the Blackman agency at Scranton placed third in policies sold.

### Hedges Directs Ill. Course

Bert A. Hedges, Business Men's Assurance, Wichita, has been named director of the disability insurance sales course at University of Illinois Dec. 3-5, sponsored by International Assn. of A. & H. Underwriters. He will also serve as general director of regional training schools to be held in some 20 metropolitan cities in 1952.

### 300 at Prudential Rally

Nearly 300 Prudential agents from California, Oregon, Washington, Wyoming, Colorado and Utah attended "Top-notchers Business Conference" at Pasadena, Cal. Sidney V. Mitchell, Jr., director of agencies at the western home office, was in charge.

Speakers were James E. Rutherford, vice-president, representing the home office; Harry J. Volk, vice-president in charge of the western home office; Carl White, director of agencies in the western home office; Reggin Kiser, Salt Lake City; Harry Butcher, manager at Seattle, and Harold Dolan, manager at Denver.

### Pilot Covers N. C. Employees

Pilot Life has agreed to underwrite group life and group A.&H. plans for the 3,500 members of North Carolina State Employees Assn.

## NEWS OF LIFE ASSOCIATIONS

### N. J. Assn. Plans Business Life Seminar at Newark

The New Jersey Assn. of Life Underwriters will conduct a business life insurance seminar at the auditorium in the Mutual Benefit Life home office in Newark on the afternoon of Dec. 6.

The seminar will consist of a lecture by Louis A. Manza, field training division supervisor of Metropolitan Life, with a question and answer period to follow. Mr. Manza's talk will feature sales approaches based on federal estate tax from 706 and a key man and stock retirement sales presentation using section 102 of the internal revenue code.

### Cal. Mid-Year Dec. 14-15

The mid-year meeting of the directors, executive committee and past presidents council of California Assn. of Life Underwriters will be held at Bakersfield Dec. 14-15. The program includes a sales congress arranged by the Kern County association.

Des Moines—Charles E. Cleeton, president of N.A.L.U. expressed concern over "continued inflationary and socialistic

trends." He said runaway inflation and socialism could seriously threaten the free enterprise system. He said the National association "is vitally opposed to any increase in the amount of social security payments or any other encroachments of government on business."

San Francisco—E. J. Moorhead, vice-president of United States Life, spoke on "Eighteen, Nineteen, Twenty"—a panorama of life insurance selling based upon his experiences.

Oakland-East Bay, Cal.—G. Cameron Hurst, Jr., New York Life, president of the San Francisco C.L.U. chapter, discussed various phases of agency development and basic principles that tend to increase profits for the individual agent.

Springfield, Ill.—Delmar Olson, vice-president and associate counsel of Mutual Trust Life, spoke on business insurance fundamentals.

Davenport, Ia.—Delmar Olson, vice-president and associate counsel of Mutual Trust Life, spoke on fundamentals of business insurance selling.

Washington, D. C.—Benjamin N. Woodson, managing director of N.A.L.U., is scheduled to speak. The Leaders Club will convene Nov. 29 to hear Lucien A. Merle, Washington attorney, on solving problems in business insurance.

William J. Link, Prudential district manager, has been appointed a director



With 108 modern, saleable Adult and Juvenile Plans, Riders and Coverages the Berkshire Life line is bigger, better and more complete than ever before!

Catalogued in our Merchandise Chart and Portfolio of Coverages you'll find such sales-producers as the "Progressive Security Plan" which is typical of the many attractive contracts in our 'better-than-ever' line.

### PROGRESSIVE SECURITY PLAN

Ultimate Age 1 — Ages of Issue 0 to 14 inclusive (Not available in New York State below Issue Age 5; however, Ultimate Age 5 — Return Premium is available Ages 0 to 4).

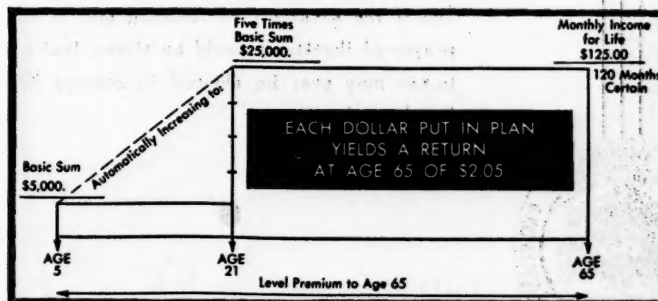


Illustration — Five units — based on Age 5 Male  
Annual Premium \$266.75

Guaranteed Cash Value at Age 65	\$20,300.00
Dividend* Accumulations at Age 65	12,454.25
<b>Total</b>	<b>\$32,754.25</b>
Total Premiums to Age 65	16,005.00
<b>Excess Over Cost</b>	<b>\$16,749.25</b>

\*The dividends in this illustration are neither estimated nor guaranteed, but are computed on the same basis as the scale of dividends in effect on the date of this illustration (July 1, 1951 Basis). Similarly, the interest rate assumed is that currently allowed on such accumulations.



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and chairman of a committee to investigate the possibility of reorganizing the association.

**Manhattan, Kan.**—W. W. Cook of Kansas City Life spoke on "Annuity vs. Other Types of Investments."

**Dodge City, Kan.**—Elliott Belden, Franklin Life, Salina, president of the Kansas association, addressed the Southwest Kansas association, giving a "play-by-play" report of the N.A.L.U. convention. He reported that the Kansas association now has 723 members and all local associations have changed their annual meetings to May.

**Los Angeles**—The one-act play "And Then There Were Two," portraying life insurance in action, was presented by the Manhattan Players. Members who completed all assignments in examinations for the second year of the L.U.T.C. course were presented, as were members of the women's division who qualified for the Quarter Million Dollar Round Table.

**Austin, Tex.**—Enthusiasm and confidence in the service which he offers, confidence in himself and the desire for success were given as the essentials for the success of an agent by Norville J. Bush, director of agencies of Prudential's southwestern home office. All these develop from accentuating the policy, Mr. Bush said. Fear comes from lack of knowledge. Eliminate fear and be con-

fidant, he urged. According to Mr. Bush, fear is the most insidious power which persuades men to leave things undone. Its antidote is knowledge. Apply technical knowledge and know how to make the presentation and success is assured. Mr. Bush asserted that it is the way people think that makes them a success or a failure. Unfortunately, few persons realize the relation of what they think to their achievements. Positive thinking, Mr. Bush said, calls for definite planning and an attitude of feeling that the sale is made before actually calling on the prospect.

**Oklahoma City**—The film "How I Raised Myself from Failure to Success in Selling," based on Frank Bettger's book, was shown. Reports on the national convention at Los Angeles were given by Jesse T. Owens, Mutual Life, and Miss Pearle Easley, Massachusetts Mutual.

**Waukesha, Wis.**—Lewis Stocking, Milwaukee attorney, spoke on "Estates" at the November dinner meeting of the Waukesha County association. Margaret Wyatt, a \$250,000 producer, was honored for having qualified for that group.

**La Crosse, Wis.**—George Nixon, past president of the Western Wisconsin association, and instructor of life insurance at the La Crosse vocational school, presented Harold E. Krause, assistant manager of Metropolitan, a C.L.U. certificate.

**Madison, Wis.**—Stacy B. Merchant, Chicago, educational director of Mutual Trust Life, discussed "Prospecting—the Foundation of Sales," at the November luncheon meeting.

**Oakland-East Bay, Cal.**—G. Cameron Hurst, associate manager at San Francisco of New York Life and head of the C.L.U. chapter there, spoke on "principles that increase profit"—observations based upon actual field and agency development activities.

**Logansport, Ind.**—Virgil W. Samms, associate director of technical services at Purdue University, spoke on "This Business of Being a Life Underwriter."

**Michigan City, Ind.**—Mrs. Ruth Lane, manager of the local social security office, explained the social security program for the self-employed business man.

**Cincinnati**—Selling is about 75% mental attitude, R. H. Threlfall, supervisor of Great-West Life, Minneapolis, declared. The agent's toughest competitor is his own mental attitude. A. L. Bondi, Metropolitan, president, stated that total membership is now 425 and an objective of 600 has been set, which can be reached with the cooperation of every one. Mr. Bondi presented women's quarter million dollar round table certificates to five qualifiers. W. W. Wray, John Hancock, awarded the L.U.T.C. certificates. Elsie Doyle, Union Central, urged support for the Christmas party sponsored by the association for the children of the Sequin school.

## MANAGERS

### Schwemm at Milwaukee

Earl M. Schwemm, Chicago manager of Great West Life, will speak on "Raising the Sights of Your Men" at a dinner meeting of Milwaukee managers Nov. 30.

### Stewart to Speak at S. F.

Recent trends in operations of agencies and producers, based upon his own observations and actions as well as those reported by other companies, will be discussed before San Francisco General Agents & Managers Assn. Nov. 26 by Harry J. Stewart, president of West Coast Life. He will also review some of the high points of the recent L.I.A.M.A. meeting.

San Diego Cashiers have planned a Christmas party Dec. 8.

### Metropolitan Makes Four Changes in Field Setup

Metropolitan Life has made these field changes:

Frank J. Albanese has been appointed manager of its Walnut Hills district at Cincinnati. A C.L.U., he joined the company in 1934 as an agent at Hamilton, O., and later became assistant manager there. He returned from military service in 1945 and subsequently became a field training supervisor in the company's central territory. More recently he has been acting manager at Walnut Hills.

Richard E. Gamble has been appointed manager at Mansfield, O. He joined the company as an agent at Cleveland in 1933. After service as an assistant manager at Toledo, he became a field training instructor in 1947 in the company's central territory and subsequently a field training supervisor.

Forrest M. Holmes has been appointed manager at Summit, N. J. He joined the company in 1940 as an agent at Milville, N. J. After military service he returned to his former position and later was promoted to assistant manager. In 1948 he became a field training instructor in the Atlantic Coast territory and subsequently a training supervisor and a field training division supervisor.

Gilbert C. Templeton has been appointed manager of the Glass City district at Toledo. He joined the company

in 1931 as an agent at Indianapolis and later became assistant manager at Lafayette, Ind. In 1940 he became a field training instructor in the central territory. More recently he has been manager at Mansfield.

## Tax Men Discuss Big Policy Portfolio Change

Tax counsel and advance underwriting specialists from several home offices were present at the Decennial Institute on Federal Taxation sponsored by New York University.

One of the features of the ten day session was a morning devoted to estate planning problems. The chairman was Rene A. Wormser, New York City attorney.

A panel consisting of Venan J. Alessandrini, New York attorney, Stuart McCarthy, assistant counsel, Equitable Society, and Daniel Auslander, Massachusetts Mutual, New York City, discussed the tax problems arising out of the reorganization of a heavy life insurance portfolio.

The problem discussed was that of a Mr. Jenks whose family had an aggregate of about \$500,000 of life insurance in 14 different policies. He had concentrated his family financial security program in life insurance investments and was concerned at having put all of his eggs into one basket. The question posed to the panel said that "past inflation has worried him because it reduced the purchasing value of his insurance and he was troubled that further inflation might further destroy or decimate the protection he had planned for his family through insurance."

The group discussed the tax problems that would be created by the various alternatives open to him in his attempts to reduce his premium outlay without reducing the aggregate protection of his family by any substantial amount. The experts dissected every facet of this "have your cake and eat it too" proposition.

## New National Officers Named by Cashiers Assn.

New officers of National Life Agency Cashiers Assn., elected at the annual meeting at Dallas, hold similar posts in the Dallas chapter, in accordance with custom. They are: President, Mrs. Sally Jones, Great American Reserve; vice-presidents, Douglas G. Hendrix, Southland Life; Douglas Brown, Great National, and Bob Moomaw, Kansas City Life; secretary, Mrs. Paula S. Durfee, State Mutual; assistant secretary, Miss Eleanor Appling, Guardian Life, and treasurer, Francis Hamann, Jefferson Standard.

## Plan Los Angeles Association of All Insurance Groups

LOS ANGELES—Forty-three officials of Los Angeles life, casualty and fire insurance organizations, as individuals, attended a meeting to formulate plans for organization of an insurance association embracing all branches of the business. A tentative draft of a constitution was presented and a committee was named to continue the work.

The proposed constitution provides that the organization shall take no public stand on any issue; neither shall it lobby for or against any proposed legislation. Activities in this field would be left to the separate associations. Membership would be limited to the two senior executive officers of any association, the membership being on an individual basis, so long as the member holds office in his organization.

Another meeting is scheduled for Dec. 12.

Carl M. Spero, independent, New York City, president of American Society of C.L.U., was honored at a luncheon in New York by the life insurance division of the Federation of Jewish Philanthropies of New York.

## AMERICA TRULY THANKFUL

for the men who saw with clear, unflinching eyes the nation to be—who fought, as we too have fought, in the cause of freedom, humanity and brotherhood.

that we are free, in a world of prejudice and intolerance — free to live and speak and act and work and worship as we choose — free to elect our leaders and make our laws — free to make our mistakes and correct them.

This is the greatness of America and in our prayer of thanks we would be strong that no power may ever be allowed to destroy this freedom of ours.



## PEOPLES LIFE INSURANCE COMPANY

"The Friendly Company"

Frankfort

Indiana

## COMPLETE PROTECTION

Agency Franchises Available

## JEFFERSON NATIONAL

Life Insurance Company  
INDIANAPOLIS INDIANA



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supervis  
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mentals  
the aspe  
compani  
parently  
direct.  
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## Combination Company Training

(CONTINUED FROM PAGE 2)

vote many months to training these field supervisors direct from the home office. They are indoctrinated in the fundamentals of the business, reviewing all the aspects of the job. In most of the companies, these field supervisors apparently do not train agents in the field directly. Their function is to supplement training job, which the district manager is expected to do on his assistant managers. They go out into the field and work with the individual assistant managers, watching these assistant managers make direct sales, watching how these assistant managers handle their men, conducting clinics for the assistant managers and also conducting clinics and round tables with various groups of agents in selling techniques.

These field trainers are the link between the home office and the assistant managers. Other than this, apparently not too many of the companies concern themselves with direct training of the assistant managers or the agents. In the combination field, the district manager is a key man in the training process

and is expected to do most of the training of assistant managers and of agents.

### ORDINARY CLINICS

An exception to this is the interest shown by many of the companies lately in offering ordinary training through the home office agency department to certain of their best qualified agents. These companies are conducting regular regional clinics and sessions to train their men in business insurance, and some of the advanced programming techniques. Generally it seems to be felt that training the agent for his job is best handled through the manager and the assistant managers beyond these specialized training courses for the best men.

It became clear that the training men are conscious today of a sharp difference between knowledge for knowledge sake and training for specific selling skill in salesmanship. Many of those present seemed to feel that too much knowledge has been pushed into the heads of field men without the additional requirement that these men develop the selling skills to make this knowledge usable.

Mr. Kreder described a program for explaining casualty coverages to the managers which his company began a year ago. This program gets away from college-type lecturing. The heads of the managers are not filled with knowledge, the emphasis of the course is on skill and selling A. & H. During a four-day session, the managers get together in geographical groups for practice sessions in which they must learn an approach and a close and must match their wits in practice "buzz" sessions against sharpshooters who can throw at them every objection in the book. After 14 or 15 hours of real practice in carrying sales objections and in advancing A. & H. sales ideas, Metropolitan has found that these managers go back to their agencies really fired with know-how. Results lasting three months or more from the time the managers return from these sessions show that A. & H. premiums in the agencies of these clinic-trained managers rise as much as eight times.

### Assistants Carry the Ball

One company has discovered that a really lively form of training for management is to hold a regional meeting attended by district managers where the assistant managers are assigned subjects and get up and tell what they know. These people have found that the youthful and enthusiastic assistant managers really have something to say. The process serves the effect of stimulating the older managers who are subject to the youthful ideas presented by the men under them.

There was a great variety in the number of times a year when conferences for district managers and assistants are held, generally most companies have them at least once a year on either a regional or home office basis. Some companies have them at more frequent intervals. These meetings seem to usually be held for about one day's duration though some companies hold them for as long as three days. Some of the companies hold these conferences not for all their managers but for those managers with special problems and weaknesses. The design is to get them together to solve some of these problems themselves. Some of the companies intersperse among these managers with weakness two or three managers who are particularly strong to carry the ball in the sessions. Usually such therapeutic sessions are subtle enough so that they do not amount to carpet-calling sessions.

It developed that Prudential and Washington National are pioneers in the direction of allowing the district manager complete autonomy in hiring men. Washington National has had a year's

experience in this practice and reports that the system works very well, that the quality of agents has, if anything, improved since home office approval was not required in most cases where agents are hired. Prudential has recently adopted this practice in conjunction with its general theme of decentralization. They have not yet had enough experience to evaluate the caliber of the agents brought in under this system, but their feeling is that home office approval is but an unnecessary delay, hindrance and reflection on the autonomy of the district manager who, except in a few specified exceptional cases, should have the right to appoint men without home office approval.

Generally the area of home office responsibility in agent training seems to be defined as that of drawing up training material and seeing that the material is available to the managers and their staffs. Not too many of the companies do much in the direction of continuous training for so-called established agents, concentrating their training on the new men, except in the direction of specialized training for exceptional established agents. There was a feeling expressed by several that the older agents have been neglected, have been turned over

to L.U.T.C., C.L.U., and other excellent agencies, but that the companies have a certain responsibility in their behalf and have not measured up to it. Some of the companies conduct courses for their agents in which weekly lessons are graded by the managers, and some of these companies also offer an assistant managers training course which is handled in the same way. These companies give out diplomas to those who successfully complete the courses. At this point, there is a certain divergence in practice between companies offering such courses. Some of them tie the diploma in with a production requirement, feeling that knowledge is useless unless it is reflected in increased sales. Others do not have any production requirement for their diplomas.

One of the largest suggestion awards in the history of Mutual Benefit Life was presented to Arthur W. Garrabrant for his suggestion that an IBM punch-card system of tabulating the G. I. and F. H. A. loans be installed in the city investment department. This has enabled the company to handle an ever-increasing volume of F. H. A. and G. I. loans.

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...a Star in the West

## WIDE RANGE IN TRAINING

(CONTINUED FROM PAGE 2)

training and methods used; and the follow-up and evaluation of training.

Mr. Doolin said Fidelity Mutual's general agents all sell life insurance and the company feels the best way to train new agents is for the general agent to train them in his way of selling. The company feels there is no one best way of training but that there is a best plan for each general agent, and that is his own plan. The home office's function is to help the general agent develop his own plan, keep him stimulated and to check on the progress the general agents are making.

Mr. Walsh said Home Life is at the opposite pole from Fidelity Mutual in degree of discretion left to agency heads. Home's two-week home office basic training school brings the new agents to a pretty even level, so that when the agent goes back to his agency the trainer there knows just what level of skill the new man has reached.

### Material Is Field Tested

Mr. Phelps said Mutual is roughly between the Fidelity Mutual and Home Life degrees of control. The company develops material in actual field testing so that it is well accepted by the managers. But there is plenty of opportunity for the manager to build on the foundations supplied by the home office.

Mr. Rollo said Great-West operates in widely diversified territory and hence training on anything other than an individual agency basis would be extremely difficult.

Mr. Spence said American United feels that its general agents should take full responsibility for the first month. The company then tries to have a trainer at the agency for the next few months. After six months the new man goes to a home office school. The general agent also goes to the school if he hasn't attended before, as it is important for

him to know why the new man is being taught what the school is giving him.

### BASIC SIMILARITY

Mr. Doolin emphasized the differences between agents' sales methods. However, Mr. Keller said that there is a fundamental similarity in pattern among agents and this pattern should be formulated for the benefit of all agents.

Mr. Phelps said there is probably less difference than is generally assumed between sales operations of managerial and general agency companies. It is still a matter of offering a man a better system than the one he is using and most men know how far short their present methods fall.

Mr. Keller said that despite the close control that State Farm has over its managers, it is still necessary to sell the training program to them. Otherwise the program gets nowhere.

### Some Found Antagonistic

Mr. Phelps said that when Mutual started its training program a number of managers were definitely antagonistic. Now there are none that are antagonistic but with some it is a case of the spirit being willing but the flesh weak.

In answer to a question from the floor, Mr. Keller said State Farm first brought in its state directors and had them put on a school at which they were both teachers and students. Then they went back and held schools for local managers. The latter learned how to master an organized sales talk and teach it to their agents. Schools proved an eye-opener to managers on what could be done with organized sales talks.

Mr. Phelps said Mutual's training staff members are picked from the ranks of assistant agency managers, making

sure that the assistant manager, who is to become a home office training assistant, is really a good trainer and doesn't just owe his apparent success to being under an extra-able manager. These men have home office training, including seminars and training schools that the training assistant helps run, and assignments to agencies where they do training.

This on-the-job training is extremely valuable to the training assistant and to the manager. Out of the first 52 weeks the man spends 20 to 25 weeks in the field. Asked about bringing families of training assistants to New York City, Mr. Phelps said the company does so and pays the expenses if the man wants it done. About half do.

### CONFERENCES

Mr. Doolin says that Fidelity Mutual works with its general agents at home office conferences to develop in a detailed way their training programs geared to their own individual methods. Everything in the loose-leaf training manual that the general agent evolves at the conference is his own, because he put it there.

However, the home office makes sure that the general agent formulates his plan along sound lines, with emphasis on early production and close field supervision in the early months, among other things.

### Home's Like Mutual's

Mr. Walsh said Home Life's plan is much like Mutual's for training assistants, whom Home calls field assistants. Mr. Walsh said Home makes considerable use of recording machines to measure improvement in conducting interviews and to check on progress resulting from training.

The company also made a recording of the latest club convention for the benefit of the agents who didn't qualify for the convention but who actually need such education and stimulation more than those who did qualify.

Mr. Spence said American United doesn't judge the general agent on the basis of what he sells with the new agent on joint interviews but rather on what the agent does later on. This takes the pressure off and lets the trainer do a better job.

### Continuous Training

The discussion on problems of continuous training, including established managers and general agents, was opened by Mr. Doolin. He said Fidelity Mutual does it through home office conferences every two or three years.

State Farm holds a series of managers' conferences. Material from these is put in writing and is the basis of a manual for managers. Conferences help familiarize the managers with the organized sales talks. This is essential to effective teaching of these talks.

### DRAWN BY LOT

Mr. Spence said about half of each of American United's general agents' meetings is devoted to training. Managers are drawn by lot to give the organized sales talk at these meetings, so they have to keep in practice.

Mr. Smith said Connecticut Mutual's continuous training program includes a series of clinics for general agents. They are given information, and ideas on how to use it. Each general agent attends every two years, and at his own expense.

This year the topics were agency management, recruiting, and training. Seminars run five days.

Once every two years Home Life has a gathering of all managers and in the alternate years it runs a series of regional meetings for managers.

Discussion of follow-up and evaluation of training brought from Mr. White a remark on the difficulty of watching the trainer observe the man he has trained making a sale.

Canada Life, said R. G. MacDonald,

agency superintendent, speaking from the floor in answer to a question, makes use of a "model agency" to demonstrate its material. When this began to develop production club members, the managers wanted to know how it was done. Then the managers, even the established ones, came in and took the home office course.

The model agency also produces good agents and supervisors. New agents are paid salaries and do exactly as they are told. Emphasis is not on production, because they are often given new sales talks to try out, but even so, the production is better than average and ample to warrant the salary paid.

### Interest Is Spontaneous

Mr. Keller agreed that often the best way to introduce a training program is to go ahead in one agency and pretty soon other managers ask that the same program be put into their agencies.

Home Life had the same sort of model operation in the home office but its manager, John H. Evans, found out how much money he could make operating it as an agency and it is now the Evans agency, ranking second in the company in production. Home Life plans to start the model set-up again as soon as it gets the right man for its manager.

### LONGER VISITS

Mr. Smith said a survey of typical managers and general agents showed they felt visits from home office agency executives are too infrequent, too short, and not preceded by enough notice to permit the manager to prepare adequately for the visit.

Mr. White pointed out that agency department people are human, too, and don't like to be away from home more than necessary. He said this indicated a need for more home office people who can make field trips.

Mr. Spence said American United suggests that general agents recruit no one unless the general agent or an assistant

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### POSITION WANTED WITH SOUTHERN COMPANY

Supervisor age 39 wishes home office agency or managerial connection in South. College graduate, journalism and teaching background, good production record. Minimum income requirement \$7,200. For full details Address H-97, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Will be available about January 1st. Ten years experience both home office administrative and field sales direction. Familiar with all lines of group. Strong personal production record. Married; college graduate. Address H-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### SUPERVISOR WANTED

An 82 year old life insurance company has an opening in their Chicago office. Salary plus over-ride. The person must have a successful sales record and preferably some experience in recruiting or management work. No traveling or transfers to other cities. Address J-5, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.



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has 300 hours he can devote to training. Realization of the time needed for training each recruit has quite a sobering influence on recruiting. Great-West has a system of reports but the real test, Mr. Rollo said, is the results as interpreted by the agency officer on his visits to the agencies. This procedure yields a very accurate and realistic appraisal of what goes on. Home Life requires a monthly report on the new man for the first six months and then a report on the ninth and 12th months. Home Life believes in formal reports because it has a definite program it wants to check on. Informal reports,

Mr. Walsh said, are either too brief or too voluminous, depending on the manager. Mr. Phelps said there must be coordination of the various aspects of training, the danger being that there will be so much emphasis on one phase that others will be neglected. Organized training for managers is even more necessary than for agents, said Mr. Keller. "It's not what you tell a man that counts; it's what he accepts," Mr. Doolin quoted this statement by the late Frank Davis, former agency vice-president of Penn Mutual, as being a vital point in all training activity.

do it, Mr. Macon suggested. Travelers now runs a five-week pre-field school at the home office but is considering shortening it and delaying it until completion of the agent's first quarter, thereby avoiding schooling a lot of potential failures, said Mr. Reed. A show of hands by the audience, requested by Mr. Reed, showed that very few companies run home office pre-field training courses.

check up on them," said Mr. Zalinski. "If you were playing golf and couldn't see where you'd hit the ball, you wouldn't learn much." Northwestern Mutual has a well established weekly reporting system. This enables the company to tell the agent, on the basis of his own records, how many calls, prospects, etc., he needs per week to achieve his quota and how much money he makes every time he makes a sales presentation—even how much he makes every time he turns a doorknob.

Even where a manager or trainer is not given a highly detailed training procedure, it was agreed by all that it is desirable to provide a track to run on. Jefferson Standard, for example, specifies, for a 13-week course, material for the agent to study, things to be done in conference with the trainer, and what the agent should do in the field that week.

## SELL MANAGEMENT ON TRAINING

(CONTINUED FROM PAGE 2)

Participants were Mr. Fritsche, Charles E. Gaines, vice-president and agency director of Great National Life; Harold W. Gardiner, educational director of Northwestern Mutual; Seth C. Macon, assistant superintendent of agencies of Jefferson Standard; Mr. Reed, and Aaron M. Royal, manager of field training of Penn Mutual.

There was general agreement that the degree of control over agents' training tends to reflect the kind of financing being done, or the lack of it, although it was brought out that this should not be the case, since if the agent is financing himself it is really more important that his training be effectively directed.

### Customers vs. Clients

Mr. Gaines drew a distinction between training and education of agents, saying that training will get customers for the agent but only education will enable him to create clients for himself and become a "career underwriter." He said that a man calling himself a "career underwriter" looks silly going back later on to a man he has previously sold and giving him the same sales talk over again.

Mr. Macon said that his company uses training as an aid in recruiting.

Mr. Reed said Travelers' also uses its schools in this way and points to the success of graduates to support its contention that new men should stick to what they are taught rather than going off on their own hook very much, at least at first.

Mr. Gardiner said Northwestern Mutual general agents say that the outline of the company training course is a potent factor in getting new agents to join the company.

said Travelers aimed to make the new man feel comfortable in his new surroundings, establish long-range financial objectives, infuse in him the spirit of the business and the company, and give him the fundamentals of sales promotion.

Penn Mutual uses a two-week school and Mr. Royal feels this is the minimum that schools should run. Mr. Zalinski said most schools seem to be one to two weeks.

Mr. Fritsche said attendance of new agents at pre-field training was excellent and the results were so good that many older agents had enrolled for the course.

Mr. Gaines exhibited a picture book which has proved effective in destroying the agent's fear of prospecting.

Its pictures illustrate half a dozen basic needs situations, which seem to be more potent than words in reminding centers of influence of people in like situations who might be prospects.

### Photographs Have Impact

For example, showing the picture of a young business man, the agent asks, "Who is the most promising young business man you know?" With a photograph of a wedding the agent asks about men who might have recently married or are planning to marry.

These pictures seem to stick in the center of influence's mind. He may call up the agent later on as appropriate prospects come to mind.

The pattern generally followed appears to be to start the agent on a simple package sale to get some money rolling in. There was also general agreement that coaching on the job is a good plan, even though it is hard to find trainers who can and will do it.

## JOB DESCRIPTIONS

Mr. Gaines said the weakest link in agent training is the type of job description available to show a new agent. He said training should include analyzing his market and showing him what his job is within that market.

James Adams, regional manager at Birmingham for American National, emphasized the importance of getting in writing a commitment from the prospective agent that he will take the prescribed training course.

Northwestern Mutual takes care of this by having its general agents understand that an agent's contract is cancelled if he doesn't complete the company's short course within a specified period after induction.

Asked if this requirement applies to recruits previously in the business, Mr. Gardiner said yes, adding that such an agent must have changed companies because he saw something in Northwestern Mutual that the other company lacked and hence he had a right to have it explained to him.

Asked about job descriptions, Mr. Macon said Jefferson Standard has an outline covering the agent's first 13 weeks and indicating what he is supposed to do. Travelers has a voluminous outline for life and accident covering the first 12 months.

Discussing pre-field training, Mr. Curtis

## "LEANERS"

While some feel that coaching on the job develops "leaners," Mr. Gardiner said that idea is usually promoted by managers who don't want to go out and tackle the difficult job of coaching. He said the trainer should first demonstrate how to handle the interview and then let the agent take over more and more.

The trainer, he said, should conduct "post-mortems" in such a way as to put the emphasis mostly on what the agent did that was good, thereby building the new man's confidence.

Mr. Gaines said his company makes recordings of post-mortems and thus can point out any failure to remedy errors that showed up in earlier post-mortems.

### Can't Tell Without Coaching

Mr. Gardiner said that without coaching on the job the trainer doesn't really know what the trainee said but only what he thinks he said.

Real coaching on the job saves a lot of time in sizing up a man's strengths and weaknesses, Mr. Zalinski observed.

Mr. Gardiner said some general agents are excellent salesmen and like to take the new man along. Others are mainly good administrators and it is a mistake for them to do coaching on the job.

If the manager doesn't like to do joint work, let an assistant manager



American United's Agency Department has been successful because it has learned to practice the famous hat trick. When it comes to preparing new sales tools, fitting policies to demand, helping out with field problems . . . all the boys use the hat trick.

The famous hat trick, as you probably know, consists of rising from your swivel chair, reaching for your hat, and GOING INTO THE FIELD where the sales are made.

A good trick, that one. It keeps home office thinking in close tune with trends all over the country; it keeps American United representatives happy, because sales ideas and solutions to problems originate with them; in fact, the hat trick seems to pay off all the way around in a harmony of understanding that creates sales records in a relaxed atmosphere.



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# Sales Ideas and Suggestions

## Veterans' Benefits Important in Insurance Programming

Practically every agent now includes a discussion of social security benefits and integrates them with private life insurance in sales conversations with his prospects or policyholders.

But veterans' benefits are often equally important in a family insurance program. If the agent ignores them or doesn't understand how they apply to the individual case, he may lose thousands of dollars for the widows or children of veterans whose insurance affairs he handles.

For example, the widow of every World War I veteran is entitled to a government pension and the widow of a World War II veteran, with a service connected disability, is also entitled to one even though he dies from a cause that has nothing to do with his disability. But the widow doesn't get the pension if she has other income, including social security and life insurance benefits, of \$1,000 per year or \$2,500 per year with dependents. By neglecting to consider the effect of these regulations upon receipt of veterans' benefits the agent may be rendering a dis-service rather than a service to the people who trust in him.

### Knowledge Essential

A working knowledge of pensions to veterans' dependents is very important to the agent since the veteran who qualifies for them has this firm foundation for family security. But there are various pitfalls to be avoided in considering them. Besides, a knowledge of pension benefits has proven to be a potent force in selling for many agents. In many instances the topic can be an "in" to an interview.

Most company educational material, and services such as the "Diamond Life Bulletins" contain the information an agent should know.

Regulations are continually changing, however. A call at the local office of the veterans administration may be necessary on individual cases.

The importance of including veterans' benefits in a life insurance program is brought out by the hypothetical case of a veteran of World War II, married

with no children, who has been receiving compensation from the VA for a service connected disability. Assuming he dies from a cause which has no connection with the disability, in general, the law provides for a lifetime monthly pension of \$42 for his widow, providing her "other income" does not exceed \$1,000 a year. If she has dependent children, her "other income" limit would be \$2,500. Income from the government insurance is not considered "other income" but social security, private insurance and practically all other forms of income are so classified.

Suppose that the widow's only "other income" is from private insurance and is set up under a lifetime income option, not subject to withdrawal in full or in part, and will provide a lifetime income of \$85 a month. That amounts to \$1,020 annually. But, because this is \$20 greater than the \$1,000 "other income" limit, she is not eligible for the \$42 monthly pension. Over a thirty year period, for example, she would lose pension benefits totaling \$15,120.

An agent who knew veterans' benefits could have avoided this loss for her.

Under the law, private insurance proceeds paid in a lump sum, or under an option giving the beneficiary the unrestricted right of withdrawal, are considered to have been received at the time of death. The full amount is counted as income in the calendar year of the veteran's death even though the beneficiary does not withdraw the proceeds. Aside from interest under the interest option, any monthly income received under the options will not apply against the "other income" limitation. If the widow has been given the right of unrestricted withdrawal of the proceeds, she would receive the pension every year except in the calendar year in which her husband died.

If she left the proceeds with the company to provide a monthly income, she would have a yearly income of \$1,020 from private income, plus \$504 yearly in pension benefits. By including the unrestricted right of withdrawal in the policy the total of her income would

then be \$1,524 instead of \$1,020 as under the original plan.

The loss could also have been avoided in another way. Perhaps the wife is inclined to spend money loosely and the veteran husband does not wish to give her the unrestricted right of withdrawal. He could arrange to have the policy provide a lifetime income of not more than \$80 a month, or \$960 a year, with any balance of the proceeds to be paid to the beneficiary in cash, or held under an option with full right of withdrawal. This would give the widow an income of \$960 from private insurance plus the lump sum in the first year. The following year and afterwards she would have \$960 plus \$504 in pension benefits. Her total income would then be \$1,464 instead of only \$1,020 as under the original plan.

If the private insurance proceeds had been set up to provide an income for a certain number of years annually, and the proceeds not subject to withdrawal in full or in part, the insured could have reduced the monthly income payable from \$85 to \$80 and used the difference to extend the income period.

The method used should be decided upon by the husband and wife.

### Law Complex, Varied

It is important to realize that a great many laws apply to various pension benefits and compensations for veterans. They vary with the war he served in, and whether he served during war or peace. One set of rules applies to service connected deaths, and another applies to non-service connected deaths.

The example above was of a World War II veteran receiving compensation from the VA for a service connected disability, and who died from a cause that had no connection with the disability. If it had not been for the service connected disability, his widow would not have been eligible for any pension. But if he had been a World War I veteran, the disability requirement would not apply and the pension would be payable. In the future, of course, the disability requirement for World War II veterans may be dropped.

Also, if death had been caused by a service connected disability, his dependents would have been eligible for compensation benefits without the "other income" limitations. This applies to veterans of both world wars.

## 16 Specific Questions Help Get New Prospects

One of the sales aids suggested for use by Mutual Benefit Life's first year leading agents at their recent convention in New York City was a series of 16 prospecting questions.

The series of questions points out that "every agent has learned that if he asks for names of prospects in a general way, chances are the person questioned won't be able to think of any. On the other hand, if he asks a specific qualifying question, such as, 'Do you know anyone recently married?' he will probably get a good lead instantly—followed by several more.

"Such a qualifying question is essentially a prospecting tool, and successful agents find them very effective in building a continuous flow of new prospects. Here are 16 of these prospecting questions collected from many sources:

### Questions Are Listed

"Mr. Smith, if you were planning to go into the life insurance business who are the first three people you would call on? Whom do you know who could write a check for \$50 without any trouble? What men do you know who are making more money today than they were a year ago? Do you know anybody who has recently been promoted or transferred? Who has just moved into your neighborhood, or out of your neighborhood to some other part of the city? Who is your most successful competitor? Who is the most successful person you know in your occupation? What is your brother's occupation? Your uncle's, etc. Who do you know who has a son aged 10? Do you know anybody recently married? Do you know any families with a new baby? Do you know any family that has just purchased a home or is looking for one? What young man in your company seems to have a good future? Who is your family doctor? Do you know anyone starting a new business? Do you know anyone beginning the practice of his profession?

"Why not try some of these questions every day on policyholders, prospects, new acquaintances, friends, neighbors, centers of influence. In some instances it can be done by mail, writing policyholders and asking them as a favor to furnish names of two or three persons suggested by such questions as those above."

## October Record Month for State Mutual Life

Sparked by a contest in honor of Robert H. Denny, agency vice president, State Mutual Life reports an all-time record for October in ordinary submitted business. The total of \$14,437,186 on 1,796 applications exceeded any October in the company's 106 years of business. On Mr. Denny's birthday, Oct. 17, 220 applications for \$1,852,201 were written. State Mutual showed a gain of 9% in its ordinary paid business for October, the figure of \$10,305,473 also setting a new record for the month.

## Moffly Named to Chicago

Provident Mutual has appointed William T. Moffly, Jr., agency supervisor at Chicago. Mr. Moffly joined the company in 1928. In 1950, he was appointed assistant manager of agencies.

## New Company in N. Y.

Provident Life & Casualty of Chattanooga has been licensed by New York

## North American Reassurance Company

J. Howard Eden, President

110 East 42nd Street

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**LIFE REINSURANCE EXCLUSIVELY**



## L.I.A.M.A. Committees Submit Reports, Show 1951 Progress

A condensed picture of the accomplishments of 23 of its 26 committees is presented in the L.I.A.M.A. annual report of committees for 1951 submitted to the annual convention at Chicago, last week.

Highlights from the printed report follow:

**A. & H., Frank Vesser, General American** — In addition to sponsoring the second annual A. & H. spring meeting during 1951, the committee members individually worked with companies considering entry into A. & H. and added A. & H. material to the association's files. A recommendation is being prepared on the activities the association should conduct for member companies writing A. & H. and life. A subcommittee is working on a follow-up of the 1949 A. & H. buyer study to determine the persistency of this business.

**Advisory council on life, training, Vincent B. Coffin, Connecticut Mutual** — New this year, the council has representation from all organizations interested in agent training. It surveyed the entire field of training and published the brochure "Training for Today's Life Underwriter."

### Two Research Reports

**Agency costs, Roger Hull, Mutual Life** — Active this year have been six subcommittees. From two of them came the research reports "Clerical Salaries in Life Insurance Agencies" and "Financing the New Agent." Another subcommittee on first-year and renewal field costs will have a report soon. Continuing research on general agency expense allowance, home office agency department budgeting, and special commission practices is being done.

**Agency management training advisory, William P. Worthington, Home Life of New York** — Another joint committee, this one represents N.A.L.U. and the American College as well as L.I.A.M.A., and surveys the area of management training. Under consideration this year were: the schools in agency management, the American College's management conferences and recommendations for their improvement. A subcommittee is also studying the problem of training assistant managers.

**Canadian companies, A. E. Wall, Confederation Life** — This committee has advised the association staff on special research projects for Canadian companies. At a meeting for all companies operating in Canada to be held at the annual meeting, the committee has planned for speakers to discuss the aptitude index scoring system, agency costs and the work of the relations with universities committee. The committee has also been interested in French translations of association publications.

**Combination companies, William J.**

**Hamrick, Gulf Life** — A booklet on the job of the combination manager was proposed by the committee and is in the works. A subcommittee on costs in the combination agency is also active. Other subcommittees have been cooperating with the quality business committee and the education and training committee.

**Education and training, Raymond C. Johnson, New York Life** — One project undertaken by this group is the preparation of a set of manuals to cover all areas of the manager's job. Work on the manuals will continue. The second annual training conference was held Nov. 15-16 during the annual meeting and was planned by this committee.

**Human relations, Ralph D. Lounsbury, Bankers National** — At the suggestion of the human relations committee, the association staff completed a research survey on home office visits to agencies. The major project of the committee has been in undertaking a complete research project in the human relations aspect of the association.

**Large companies, Robert B. Coolidge, Aetna Life** — Another new committee, it is devoted to the interests of larger companies in the membership. The group conducted a highly successful spring conference for chief agency officers of large member companies and is organizing a similar conference to be held in 1952.

### L.U.T.C. Sets Record

**L.U.T.C., Orville E. Beal, Prudential of America** — A report on L.U.T.C. shows that in a little more than four years, almost 10,000 field men throughout the nation have participated in the course. The council reports, too, increased prestige for the L.U.T.C. instructor and for agents completing L.U.T.C.

**Membership, H. S. McConachie, American Mutual** — Twelve companies were elected to membership in the association during the past year. They are: Amicable Life, Waco, Texas; Commercial Travelers, Salt Lake City, Utah; Farmers Life, Des Moines; Forenade-Framtiden, Stockholm, Sweden; Home Friendly, Baltimore; La Laurentienne, Quebec; Lutheran Mutual; Old American Life, Seattle; Palmetto State Life, Columbia, S. C.; Security State Life, Boise, Idaho; Toronto Mutual Life, and World Insurance, Omaha.

**Public information, Richard E. Pille, Mutual Benefit** — Major accomplishment of this committee was the establishment of a complete advertising, direct mail and public relations library of company practice at association headquarters. This material will be available for the use of all member companies.

**Quality business, James H. Cowles, Provident Mutual** — The national quality award was presented during 1951 to 7,875 underwriters in the United States and to 1,191 in Canada; this was the best year in its seven-year history.

### Colleges Join In

**Relations with universities, C. B. Metzger, Equitable Society** — Eleven deans of business administration schools met in Hartford for two days this spring with this committee. Purpose of the meeting was to tell them more about the life insurance business and to get their views on how life insurance can do a better job of getting information to the colleges. Another important project of the committee was the summer fellowship program which had 18 insurance teachers studying in life insurance home offices last summer. The speakers' bureau of the committee, since the spring of 1950, sponsored 61 lectures on the philosophy and history of life insurance, how life insurance works. Career opportunities in the business have been arranged at 44 colleges across the nation.

**Research advisory, J. A. McAllister, Sun Life of Canada** — The committee approved the research plans of the association in the areas of selection, evaluation, training and supervision, opinion and attitude, cost and compensation, markets and company practices. Another shift approved will lead the research program to invest less effort in

studies with an industry-wide base and more in the investigation of factors at the field level.

**30th anniversary, Vincent B. Coffin, Connecticut Mutual** — This committee was appointed to plan appropriate anniversary events for the association's 30th year. It arranged for an open house at the association's new building for staff members and their families and for other events which were cancelled following the death of John Marshall Holcombe, Jr.

**Reports of the following committees are also included in the published report:** annual meeting, Grant L. Hill, Northwestern Mutual; audit, Wrayburn M. Benton, Massachusetts Mutual; compensation, E. J. Moorhead, United States Life; cooperation with other organizations, C. W. Arnold, Kansas City Life; field personnel, Edward R. Hodgkins, Paul Revere Life; finance, Guilford Dudley, Jr., Life & Casualty; small companies, James E. Scholefield, North American L. & C.

**Other committees of the association are:** Distribution, W. Rankin Furey, Berkshire Life; ways and means, Sam E. Miles, Provident L. & C., and nominating, D. Gordon Hunter, Phoenix Mutual.

## FRATERNALS

### Aid Association Wisconsin Group Elects Officers

**WAUSAU, WIS.** Officers elected at the annual sales conference here of the Wisconsin agents of Aid Association for Lutherans were Carl Truebenbach, Green Bay, president; Walter C. Koppelin, Milwaukee, vice-president; Clarence S. Marten, Appleton, secretary-treasurer; Elford Bergelin, Wausau, and Everette Jorgensen, Weyauwega, new directors.

The traveling trophy was presented by Herbert G. Benz, national agency director, to Fred C. Bammel, West Bend, leading producer in Wisconsin with a \$1 million record for the past year and recipient of the trophy for the fourth time. Mr. Benz also announced plans for celebrating the 50th anniversary of Aid Association next year, and the completion of a new 10-story home office building at Appleton at a cost of \$2½ million.

### Modern Woodmen Appoints Platt Field Supervisor

**R. H. Platt, assistant superintendent of agents for Modern Woodmen, has been named field supervisor. He has been with Modern Woodmen since 1928, for nine years in Lincoln, Neb. For 15 years he has edited "The Axe," the society's monthly publication for agents. He is a fellow of Life Office Management Assn. and holds the F.I.C. degree.**

### Morris Named Actuary

**Robert E. Morris has been named actuary of Maccabees. He succeeds the late John E. Little. Mr. Morris has been assistant actuary since 1933.**

**In observance of his 25th anniversary with Aid Association for Lutherans, A. H. Blankenburg, general agent at Appleton, Wis., entertained his agency force and their wives from Appleton, Neenah, Menasha, Fond du Lac, Clintonville, Weyauwega and Oshkosh.**

## RECORDS

**Jefferson National Life agents wrote more than \$3 million of new business in October, the biggest month in the company's history.**

**New business issued and paid-for in Bankers Life of Iowa the first 10 months showed a gain of about \$5½ million over the same period a year ago. The total Nov. 1 was \$164,337,304, of which \$109,488,011 was ordinary and \$54,849,293**

**group. New business issued and paid-up during October amounted to \$14,644,926, of which \$11,872,426 was ordinary and \$2,772,500 group. Total insurance in force Nov. 1 was \$1,662,018,463.**

**State Mutual Life marked an all-time record month in ordinary sales totaling \$14,437,186 in its October campaign honoring R. H. Denny, agency vice-president.**

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Life insurance contracts that provide PROTECTION to take care of every need—INCOME for the insured—PROTECTION FOR DEPENDENTS—EDUCATION of children—MORTGAGE payment—ACCIDENT protection—SALARY replacement, help increase sales.

Rates and Reserves based on the latest and most modern C.S.G. mortality table and 3½% interest assumption.

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Life Insurance for Men, Women and Children

Neenah, Wisconsin

### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1899

A Legal Reserve Fraternal Benefit Society

Agnes E. Koob Dorothy H. Needham

Supreme President Supreme Secretary

Port Huron, Michigan



## L.I.A.M.A. Panel Covers Field

(CONTINUED FROM PAGE 1)

Mr. Wallace said that A. & H. is having the most phenomenal growth that any line of insurance has had in the lifetime of any of those present. He mentioned that in 1940 the A. & H. premium income was \$332 million and that in 1950 it was \$1.8 billion, or an increase of 551%, while the life business during the same period increased 70% in premium income. He said that the gain for 1950 in A. & H. was 20% and that projected on a 10-year basis this would result in a 620% increase in the next 10 years.

Mr. Wallace mentioned the great number of life companies that are entering the business and said that most of those that are not in it are considering it. He predicted that all life companies will get into A. & H. and added that if anyone present was betting that Northwestern Mutual wouldn't, "I'll lay you an even bet that it does."

Mr. Wallace called attention to the huge outlay for all forms of medical expense, amounting to about \$10 billion a year, which he said included expenditures for Hadacol.

He said that according to his figures it looked like at least a \$7 billion potential premium income for the A. & H. business in the future.

### A. & H. NEOPHYTES

Answering the question as to what a life company should consider in entering the A. & H. field, Mr. Wallace pointed out that most problems are not in the area of agency management, but in such matters as claims, underwriting, and the like. He said that merchandising A. & H. is no different in principle from life insurance.

As to agency problems, Mr. Wallace said that it creates something of a question as to whether to use life insurance salesmen that a company has, or set up a separate force. He said it is almost always better to use the life agents. Another question is whether it is advisable to add an A. & H. specialist to the life executive staff. He said it is for the bigger companies but probably is of doubtful necessity for the smaller companies, and for the very small companies, it is certainly of doubtful wisdom. If an A. & H. man is added, he should have had life insurance experience.

As to the problem of retraining old men to sell A. & H., Mr. Wallace said that there is a problem "because you've been cussing A. & H. for 50 years." He said that it was admittedly an embarrassing situation, but it had to be faced. For the new man, there is the question of whether to give him training in life insurance first or A. & H. first, or both together. Great American Reserve does both together. There is no danger, he said, of a man going all the way to being a specialist in either A. & H. or life.

### Production Club Credits

As to the question of fitting A. & H. production into a company's production club, Mr. Wallace said that some companies use \$40 of A. & H. premium as the equivalent of \$1,000 of life insurance production. However, he considers it infinitely better to base qualification on commission. His company uses \$15 of commission as the equivalent of \$1,000 of life insurance production.

Mr. Wallace said the most important matter is for the agency executive to get his thinking right. He should get the concept that A. & H. is life insurance and not fire insurance. A. & H. is insurance on human life values. Why does anybody buy life insurance or save money? he asked. The reason is because the supply of money may stop before the need stops, he said. No program of personal insurance can be a balanced one when it leaves out A. & H. The important concept is that A. & H. is

just another need-package, like readjustment income or mortgage retirement. It is just another tool in the life insurance man's kit. Men want and need A. & H. and they are going to get it, he said. The only question is whether they get it from life insurance men or from the state or federal government.

### Blue-Collar Market

W. R. Jenkins, vice-president of Northwestern National, indicated that he was not troubled by statements in recent months about the so-called "blue-collar" market being neglected. Mr. Jenkins said that there is such a wide range in types of agents that if any vacuum exists it will quickly be filled. He said that if there has been any tendency to neglect certain areas, it is because business has been so good in others, that the fact that the blue collar market has not been saturated with life insurance is nothing to be ashamed of, but rather a cause for sales managers to congratulate themselves.

Mr. Jenkins also commented on the statement frequently made that life insurance premiums account for so much smaller a percentage of the national income than formerly. He pointed out that back in the depression days when life insurance premium income was around 9% of the national income, it was due to a tremendous fall in disposable income that had taken place, about 50% in three years, and was not due to any superior sales work having been done for life insurance. He said that if the life insurance sales force had been increased to maintain this 9% ratio, it would have to have been 15 times its present size and it would now be necessary to cut it down drastically. He predicted that while people may be shying away from life insurance as an investment today because of the continuing devaluation of the dollar, when the trend goes the other way, buyers will be back buying life insurance for investment.

### PARKER ON GROUP

J. G. Parker, president of Imperial Life of Canada, said he felt group has a definite place in life insurance, that it spreads knowledge of life insurance among the public and good will for the business, and covers many people non-medically, who would otherwise not be covered. On the minus side is the employment of the loose terms such as "guaranteed net retention."

Mr. Parker said that often this term is misstated and misunderstood. Letters on net retention often cover many variables over which an insurer has no control. Too often a buyer assumes he has a guaranteed rate. Another situation that sometimes arises is when an insurer is striving for a sale and finds itself in competition and then "finds new facts" which "justify" a reduction in the rate originally quoted. This creates a wrong impression in the public mind as to the soundness of life insurance computations.

Another danger cited by Mr. Parker is the piling up of group insurance on top executives, many of whom may be uninsurable.

He deplored "switching" of group business as producing an excessive cost for the buyer.

Stuart F. Smith, vice-president of Connecticut General, explained his company's attitude on brokerage business, and its recent decision to develop this type of production through brokerage agencies in major cities rather than having it handled through the local full-time agency. Mr. Smith said that it is nearly always found that when brokerage and full-time operations are carried on in the same agency, one is subsidized by the other, financially and in the manager's time and interest.

Richard C. Guest, vice-president of Massachusetts Mutual Life, discussed

the proposed revision of the New York expense limitation. His observations are reported elsewhere in this issue.

Other talks at the L.I.A.M.A. meeting were reported in last week's issue.

### Proctor Reviews Two Plans for Business Insurance

KNOXVILLE, TENN. — "Business insurance is a means by which you can not only save on taxes, but also may be able to save your business when you are gone, regardless of whether you are sole proprietor, have a partnership, or are a closed corporation," E. T. Proctor, Nashville general agent of Northwestern Mutual, said in addressing the Life Underwriters Institute at University of Tennessee.

"Since high taxation and cost of living prevent the accumulation of wealth today, a business man (sole proprietor) may have some junior executives take out life insurance on him (the owner) in order to have the money to buy the business on his death. He may do this by two methods—lend them the money to buy the insurance or raise their salaries sufficiently so that they may buy the insurance. (The wage freeze hampers the latter.) These methods are sensible tax-wise because the employees are in a lower wage bracket and won't have to pay as much tax as the employer, and the raise in salary is legitimate business expenditure.

"In the case of a partnership where the business is required by law either to be liquidated or another partner found to replace the deceased partner, firm protection may be accomplished in two ways, a cross-purchase of buy and sell agreement with life insurance on either partner in the amount needed to buy his share of the business may be used. This method protects both the partner and the deceased partner's family in a sound and tax-saving way. Money from such a policy is tax-free to the firm. Another method is to get insurance money to indemnify the company until some minor child of the deceased partner is old enough to take over his work.

"In the case of a closed corporation, the above applies, only tax angles are more important because a corporation will have the extra corporation taxes."

### United Grants Franchise to Markus Organization

The Roy C. Markus organization of Cleveland is now representing United of Chicago in Kansas, Pennsylvania, Michigan, Ohio and Illinois and under present plans will open branch offices in Texas, Indiana, Missouri, West Virginia, Virginia, Maryland, and Washington, D. C.

United has granted Mr. Markus an exclusive franchise for the sale of a special line of commercial policies in these states. These policies, which also include A. & H. benefits, will be written in combination with various life plans.

The Markus organization comprises a total of more than 100 full-time field men headed by E. C. Markus and J. D. Bain, Chicago; Sidney J. Bertin, Detroit; Jack and Burt Borman, Pittsburgh; Joseph Weiss, Kansas City, Kans.; Seymour Levy, Cleveland.

Mr. Markus was for many years with World of Omaha.

### Shattuck Address Draws 350 to Milwaukee Trust Meeting

More than 350 attended the Milwaukee Life Insurance & Trust Council to hear Mayo Adams Shattuck, Boston attorney, speak on "Protection Procedures." Mr. Shattuck outlined some of the procedures used in planning for family, business and estate protection. Of key importance to estate planning, he said, was an overall design. He listed as essential elements liquidity at time of death, a reliable team of trustees to handle the estate, flexibility and broad powers in the hands of the team, sensible consideration of each individual case, and legal validity and clarity of expression in writing trusts.

## Guest Sees Few Immediate Changes

(CONTINUED FROM PAGE 1)

much longer deferred than is the case in most commercial pension plans.

Mr. Guest said that during the last few months several companies have announced increases in first-year commissions, for example, 10% across the board in one company, an extra 5% to bring a commission rate previously reduced below 50% back up to 50% in two companies, and an extra 5% on all term policies and on other plans of insurance up to age 65 where the policy amount is \$5,000 or more in one company.

This tendency, Mr. Guest said, might develop into a trend but it is too early to tell until companies reexamine their compensation rates following probable changes in New York legislation.

Mr. Guest said that although the companies have a common interest, there are so many conflicting views expressed publicly and privately about compensation and the New York limitation of expense that it is not surprising that it has taken upwards of three years for an industry committee to produce what may evolve into a constructive revision of the New York law.

### Signposts for Changes

He said that the generally admitted weaknesses in the present New York statute and the much publicized aims of the industry-proposed legislation point pretty directly to what might be expected in the way of change.

For one thing, the proposed uniform control of general agency and manager operations would permit more rational and more effective handling of the general agency system, particularly in relation to the establishment of new general agencies or the replacement of general agents in offices already established. Then, the recommended separation of agents' compensation from the annual expense report, coupled with an agency expense limit more closely related to the incidence of costs, should minimize difficulties over which companies have had little control, for example, variations in volume of new business and the expense incurred with reference to death claims, disability claims and the use of settlement options.

"Particularly significant is the precise definition contained in the proposed legislation of the agents' compensation limit applicable to agents within general agency operations as clearly as has been the case with agents within the branch office system," he said. "This should clear up many misunderstandings which have existed between management and the field."

"Two observations may safely be made in relation to New York expense control. First, companies which have had difficulty in conforming with the present statutes have been mostly concerned with the limits exercised through the annual accounting to the New York insurance department of first year and other expenses. Secondly, within the general agency companies, the level of agents' compensation has depended upon the earnings of the general agent within the over-all commission limit."

### Detroit Receivership Ends

LANSING, MICH.—Policies of the defunct Western Union Ins. Co. of Detroit will be taken over by Great Lakes Mutual of Detroit, insurance department officials have announced.

Circuit Judge Coash signed the order which ended receivership administered by Theodore Lubergen of the insurance department.

Assistant Atty.-Gen. Maurice M. Moule said Great Lakes would assume full responsibility for Western Union policies, and that no liens were anticipated. The company had \$1,250,000 insurance in force.

Most of the Western Union employees will be absorbed by Great Lakes.



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We don't have to go all the way back to 1776 to discover how the dollar has plummeted in value. But many of our men find it helps get a story across to the reluctant prospect.

They point out that back in those days a law in effect in Rhode Island set these price ceilings:

Milk to be sold for no more than nine cents a gallon; tobacco for five cents a pound; barbers can charge only 3½¢ per shave; the carpenters can receive 70¢ per day, and a night's lodging is set at five cents.

It starts Mr. Prospect thinking, not just in terms of the contrast between now and 175 long years ago, but between now and just 10 short years ago. Which, of course, is exactly what we wanted him to do in the first place.



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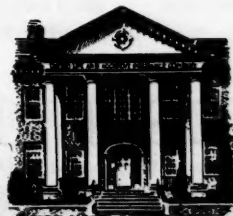
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## UNITED LIFE AND ACCIDENT INSURANCE COMPANY

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A NORTHWESTERN MUTUAL POLICYHOLDER. Mr. Peet began his life insurance program with this company sixteen years ago. He regards his Northwestern Mutual policies as basic elements in his personal estate plans.



## "This simple arithmetic may make a real difference in your family's security"

A practical suggestion that every father should consider, by **GERALD D. PEET**

*President, Wallace & Tiernan Sales Corporation, Newark, New Jersey*

**I** READ recently that the amount of life insurance owned, on the average, is less than the family's yearly income.

"This means that upon the loss of the money-earner, many families cannot maintain their accustomed standard of living for even a single year.

"And so often this unhappy situation is brought about by a simple misunderstanding.

"Too frequently, people compare the face value of their life insurance with the *savings* they have

managed to accumulate over the years. Viewed this way, the amount may look impressive. But when it is set alongside the daily living expenses which it must cover for the family, it may prove to be far from sufficient.

"Every man with the responsibilities of a family should make it a habit to review his life insurance program regularly. And he should evaluate it only by a square look at the facts as to *what it will do* for his dependents."

### WHY POLICYHOLDERS ARE SO LOYAL TO NORTHWESTERN MUTUAL...

**THIS** company is one of the six largest. It has more than 90 years' experience and an outstanding reputation for low net cost insurance.

This emphasizes that there are significant differences among life insurance companies. It is one reason why each year nearly half the life insurance issued by this company goes to those who are already policyholders in the Northwestern Mutual.

Have you reviewed your life insurance program within the last two years? You'll find a distinct advantage in calling upon the skill and understanding of a Northwestern Mutual agent.

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APPEARING IN: SATURDAY EVENING POST, NOV. 3; NEWSWEEK, DEC. 3; TIME, DEC. 17